



PZ CUSSONS NIGERIA PLC

Q1, 2023/24 UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 AUGUST 2023

PZ Cussons Nigeria Plc
Q1, 2023/24 unaudited interim financial statements for the quarter ended 31 August 2023

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PZ Cussons Nigeria Plc

Q1, 2023/24 unaudited interim financial statements for the quarter ended 31 August 2023

Corporate information

Board of Directors

Mrs. I.M.O Okauru. MFR
Mr. Dimitris Kostanis
Ms. J. F. Coker
Mr D. Anniss
Mr. K. Massie
Mallam Ballama Manu
Mrs. Oluwatoyin Odutayo

- Chairman, Non-Executive Director
- Managing Director/Chief Executive Officer
- Executive Director
- Non-Executive Director
- Non-Executive Director
- Independent Non-Executive Director
- Independent Non-Executive Director

Chief Financial Officer

Mr. Brian Egan

Company Secretary / Legal Adviser

Mrs Olubukola Olorade-Agaga

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

PZ Cussons Nigeria Plc

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Financial highlights

	Group		
	1st Qtr Ended, 31 Aug 2023 N'000	1st Qtr Ended, 31 Aug 2022 N'000	% Change
Revenue	31,070,648	27,391,701	13
Operating (Loss)/Profit	(40,237,114)	734,936	(5,575)
(Loss)/Profit before taxation	(38,635,954)	1,444,070	(2,775)
Taxation	-	(140,511)	100
(Loss)/Profit after tax	(38,635,954)	1,303,559	(3,064)
Non-controlling interest	(3,604,449)	404,750	(991)
(Loss)/Profit attributable to equity holders of parent company	(35,031,505)	898,809	(3,998)
	(38,635,954)	1,303,559	(3,064)
Share capital	1,985,238	1,985,238	-
Total equity	9,724,104	48,360,058	(80)
Data per 50k share			
Based on 3,970,477,045 ordinary shares of 50k each:			
Basic and diluted earnings per share (Naira)	(973)	33	(3,064)

PZ Cussons Nigeria Plc

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Statement of profit or loss and other comprehensive income

	Note	Group			
		Quarter to	Year to date	Quarter to	Year to date
		date 31 Aug 2023	31 Aug 2023	date 31 Aug 2022	31 Aug 2022
		N'000	N'000	N'000	N'000
Revenue		31,070,648	31,070,648	27,391,701	27,391,701
Cost of sales		(21,451,505)	(21,451,505)	(21,408,226)	(21,408,226)
Gross profit		9,619,143	9,619,143	5,983,475	5,983,475
Selling and distribution expenses		(2,977,684)	(2,977,684)	(2,488,947)	(2,488,947)
Impairment of trade receivables		71,893	71,893	(51,571)	(51,571)
Administrative expenses		(2,437,101)	(2,437,101)	(1,721,492)	(1,721,492)
Exchange loss		(44,513,364)	(44,513,364)	(986,529)	(986,529)
Operating profit/(loss)		(40,237,114)	(40,237,114)	734,936	734,936
Other income	20	78,113	78,113	60,068	60,068
Interest income		2,193,136	2,193,136	650,505	650,505
Interest cost		(670,089)	(670,089)	(1,439)	(1,439)
Net interest income		1,523,047	1,523,047	649,066	649,066
(Loss)/Profit before tax		(38,635,954)	(38,635,954)	1,444,070	1,444,070
Income tax expense		-	-	(140,511)	(140,511)
(Loss)/Profit for the year		(38,635,954)	(38,635,954)	1,303,559	1,303,559
Total comprehensive income/(expense) for the year		(38,635,954)	(38,635,954)	1,303,559	1,303,559
Equity holders of the parent company		(35,031,505)	(35,031,505)	898,809	898,809
Non-controlling interest		(3,604,449)	(3,604,449)	404,750	404,750
		(38,635,954)	(38,635,954)	1,303,559	1,303,559
Basic and diluted (Loss)/earnings per share (kobo)		(973)	(973)	33	33

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

Statement of profit or loss and other comprehensive income

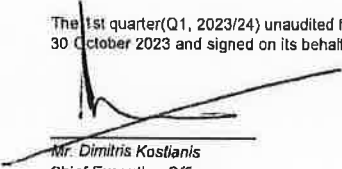
	Note	Company			
		Quarter to	Year to date 31	Quarter to	Year to date
		date 31 Aug 2023	Aug 2023	date 31 Aug 2022	31 Aug 2022
		N'000	N'000	N'000	N'000
Revenue		17,667,829	17,667,829	16,660,008	16,660,008
Cost of sales		(11,929,290)	(11,929,290)	(13,399,468)	(13,399,468)
Gross profit		5,738,539	5,738,539	3,260,540	3,260,540
Selling and distribution expenses		(1,954,761)	(1,954,761)	(1,649,528)	(1,649,528)
Impairment of trade receivables		61,947	61,947	(34,508)	(34,508)
Administrative expenses		(2,301,997)	(2,301,997)	(1,595,322)	(1,595,322)
Exchange loss		(27,320,907)	(27,320,907)	(834,983)	(834,983)
Operating loss		(25,777,179)	(25,777,179)	(853,800)	(853,800)
Other income	20	113,256	113,256	95,211	95,211
Interest income		1,448,445	1,448,445	531,668	531,668
Interest cost		(8,433)	(8,433)	(1,439)	(1,439)
Net interest income		1,440,012	1,440,012	530,229	530,229
Loss before tax		(24,223,911)	(24,223,911)	(228,360)	(228,360)
Income tax expense		-	-	(86,434)	(86,434)
Loss for the year		(24,223,911)	(24,223,911)	(314,795)	(314,795)
Total comprehensive income/(expense) for the year		(24,223,911)	(24,223,911)	(314,795)	(314,795)
Equity holders of the parent company		(24,223,911)	(24,223,911)	(314,795)	(314,795)
Non-controlling interest		-	-	-	-
		(24,223,911)	(24,223,911)	(314,795)	(314,795)
Basic and diluted Loss per share (kobo)		(610)	(610)	(8)	(8)

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 31 August 2023

	Notes	The Group		The Company	
		Q1, 2023/24	Year End 2022/23	Q1, 2023/24	Year End 2022/23
		₦'000	₦'000	₦'000	₦'000
Assets					
Non-current assets					
Property, plant and equipment	2a	15,541,060	15,500,551	14,084,849	14,031,270
Right-of-use assets	2b	179,728	203,758	115,241	131,515
Intangible Assets	2c	397,357	423,847	397,357	423,847
Investments in subsidiaries	3	-	-	504,406	504,406
Investment property	4	1,576,608	1,590,634	1,576,608	1,590,634
Deferred Taxation	16	524,559	524,559	-	-
Loan receivables	5	-	-	2,632,345	3,422,048
		18,219,312	18,243,350	19,290,805	20,103,721
Current assets					
Inventories	6	33,398,131	29,048,718	24,271,549	19,922,450
Trade and other receivables	7	14,827,620	11,452,708	9,744,115	7,664,615
Loan receivables	5	-	-	3,158,814	3,158,814
Other assets	8	2,744,428	983,186	2,726,340	983,186
Deposits for imports & Derivatives	9	3,733,746	5,014,849	790,390	393,396
Cash and cash equivalents	10	111,144,709	101,623,076	61,468,401	56,599,818
		165,848,634	148,122,536	102,160,608	90,722,279
Assets held for sale	23	-	-	-	-
Total assets		184,067,947	166,365,886	121,451,414	110,826,000
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		(565,265)	34,466,240	(4,414,952)	19,808,961
Equity attributable to equity holders of the company		8,298,242	43,329,747	4,448,555	28,672,468
Non controlling interest		1,426,862	5,030,311	-	-
Total equity		9,724,104	48,360,058	4,448,555	28,672,468
Liabilities					
Non-current liabilities					
Borrowings	15a	28,108,678	18,735,092	28,108,678	18,735,092
Deferred income	14	-	5,272	-	5,272
Lease liability	2b	84,349	95,627	61,453	70,131
Deferred taxation	17	5,444,890	4,086,413	5,444,890	4,086,413
Provisions	18	260,692	282,817	-	-
		33,898,609	23,205,222	33,615,021	22,896,909
Current liabilities					
Trade and other payables	13	116,179,575	79,943,735	78,529,981	54,481,104
Borrowings	15b	14,620,025	5,277,304	-	-
Lease liability	2b	95,379	108,131	53,788	61,384
Deferred income	14	92,124	84,230	92,124	84,230
Contract liabilities	14	443,201	361,162	443,201	361,162
Current taxation payable	16	8,927,549	8,927,549	4,268,743	4,268,743
Provisions	18	87,381	98,495	-	-
		140,445,233	94,800,606	83,387,838	59,256,623
Total liabilities		174,343,842	118,005,828	117,002,859	82,153,532
Net equity and liabilities		184,067,947	166,365,886	121,451,414	110,826,000

The 1st quarter(Q1, 2023/24) unaudited financial statements were approved and authorised for issue by the board of directors on 30 October 2023 and signed on its behalf by:


 Mr. Dimitris Kostianis
 Chief Executive Officer
 FRC/2023/PRO/DIR/003/204573


 Mr. Brian Egan
 Chief Financial Officer
 FRC/2015/PRO/ANAN/001/00000011227

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

PZ Cussons Nigeria Plc

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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	Total N'000
At 1 June 2022	1,985,238	6,878,269	25,301,572	3,574,752	37,739,831
Profit for the year	-	-	12,892,785	1,455,559	14,348,344
Total comprehensive income for the year	-	-	12,892,785	1,455,559	14,348,344
Transactions with owners:					-
Dividend paid relating to year ended 31 May 2022			(4,010,182)		(4,010,182)
Unclaimed dividend forfeited			282,065		282,065
Total transaction with owners	-	-	(3,728,117)	-	(3,728,117)
At 31 May 2023	1,985,238	6,878,269	34,466,240	5,030,311	48,360,058
At 1 June 2023	1,985,238	6,878,269	34,466,240	5,030,311	48,360,058
Profit for the period	-	-	(35,031,505)	(3,604,449)	(38,635,954)
Total comprehensive income for the period	-	-	(35,031,505)	(3,604,449)	(38,635,954)
Transactions with owners:					-
Dividend paid relating to year ended 31 May 2022					-
Unclaimed dividend forfeited					-
Total transaction with owners	-	-	-	-	-
At 31 August 2023	1,985,238	6,878,269	(565,265)	1,425,862	9,724,104
At 31 August 2022	1,985,238	6,878,269	26,200,381	3,979,502	39,043,390

PZ Cussons Nigeria Plc

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Statement of changes in equity

	Company				
	Attributable to owners of the company				
	Share capital N'000	Share premium N'000	Retained earnings N'000	Non controlling interest N'000	Total N'000
At 1 June 2022	1,985,238	6,878,269	15,008,640	-	23,872,147
Profit for the year	-	-	8,528,438	-	8,528,438
Total comprehensive income for the year	-	-	8,528,438	-	8,528,438
Transactions with owners:					
Dividend paid relating to year ended 31 May 2022			(4,010,182)		(4,010,182)
Unclaimed dividend forfeited			282,065		282,065
Total transaction with owners	-	-	(3,728,117)	-	(3,728,117)
At 31 May 2023	1,985,238	6,878,269	19,808,961	-	28,672,468
At 1 June 2023	1,985,238	6,878,269	19,808,961	-	28,672,468
Profit for the year	-	-	(24,223,913)	-	(24,223,913)
Total comprehensive income for the year	-	-	(24,223,913)	-	(24,223,913)
Transactions with owners:					
Dividend paid relating to year ended 31 May 2023			-		-
Unclaimed dividend forfeited			-		-
Total transaction with owners	-	-	-	-	-
At 31 August 2023	1,985,238	6,878,269	(4,414,952)	-	4,448,555
At 31 August 2022	1,985,238	6,878,269	14,693,845	-	23,557,352

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Consolidated and separate statement of cash flows

	Notes	The Group			The Company		
		Q1 2023/24 N'000	Q1 2022/23 N'000	Year End 2022/23 N'000	Q1 2023/24 N'000	Q1 2022/23 N'000	Year End 2022/23 N'000
Cash flows from operating activities:							
Cash generated from operations	19	9,866,059	(17,011,901)	40,344,205	3,762,439	(11,181,463)	17,986,623
Taxation		-	-	(1,243,856)	-	-	(1,202,219)
Net cash flow generated from operating activities		9,866,059	(17,011,901)	39,100,349	3,762,439	(11,181,463)	16,784,404
Cash flows from investing activities							
Interest received		2,193,136	650,505	5,233,116	1,448,445	531,668	4,149,329
Loan receivables	5b	-	-	-	-	(8,949,972)	-
Purchase of property, plant and equipment	4	(501,890)	(88,555)	(911,180)	(967,285)	(71,742)	(622,528)
Proceeds from sale of property, plant and equipment		-	-	9,841,258	-	-	6,534,373
Net cash used in investing activities		1,691,246	561,950	14,163,194	481,160	(8,490,047)	10,061,174
Cash flows from financing activities							
Interest Expense		(670,089)	(1,439)	(334,961)	(8,433)	(1,439)	(1,456)
Loan payables		-	-	-	-	-	-
Lease payment		-	-	(140,658)	-	-	(65,097)
Loan receipt		-	17,031,902	-	-	17,031,902	-
Dividends paid to Company shareholders		(1,365,583)	-	(4,010,182)	(1,365,583)	-	(4,010,182)
Net cash flow used in financing activities		(2,035,671)	17,030,462	(4,485,801)	(1,374,016)	17,030,463	(4,076,735)
Net increase in cash, cash equivalents and bank overdrafts		9,521,633	580,511	48,777,743	2,869,583	(2,641,047)	22,768,843
Cash, cash equivalents and bank overdrafts at the beginning of the year		101,623,076	52,845,333	52,845,333	58,599,818	35,830,975	35,830,975
Cash, cash equivalents and bank overdrafts at the end of the year		111,144,709	53,425,844	101,623,076	61,469,401	33,189,928	58,599,818

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 4, 2022/23						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2023	15,661,861	28,539,187	3,710,388	41,540	508,002	48,460,979
Additions	-	-	-	-	501,890	501,890
Transfers	21,436	297,495	108,327	209,665	(636,923)	-
Reclassifications	-	-	-	-	-	-
Write Off	-	-	(495)	-	-	(495)
Disposals	-	-	(326)	-	-	(326)
At 31 August 2023	15,683,297	28,836,682	3,817,895	251,205	372,969	48,962,048
Depreciation						
At 1 June 2023	5,860,983	23,527,107	3,530,797	41,540	-	32,960,427
Charge for the year	82,816	342,146	27,559	8,736	-	461,258
Reclassifications	-	-	-	-	-	-
On Write off	-	-	(403)	-	-	(403)
On Disposals	-	-	(293)	-	-	(293)
At 31 August 2023	5,943,799	23,869,253	3,557,660	50,276	-	33,420,988
Net book values						
At 31 August 2023	9,739,498	4,967,429	260,235	200,929	372,969	15,541,060
2022/23						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2022	15,341,791	27,688,342	3,596,245	41,540	828,947	47,496,865
Additions	-	-	-	-	967,285	967,285
Transfers	320,070	850,845	117,314	-	(1,288,229)	-
Reclassification to asset held for sales	-	-	-	-	-	-
Reclassification to investment properties	-	-	-	-	-	-
Disposals	-	-	(3,171)	-	-	(3,171)
At 31 May 2023	15,661,861	28,539,187	3,710,388	41,540	508,002	48,460,979
At 1 June 2022	5,525,171	22,069,507	3,370,560	41,540	-	31,006,778
Charge for the year	335,812	1,457,600	160,844	-	-	1,954,255
Reclassification to asset held for sales	-	-	-	-	-	-
Reclassification to investment properties	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
On Disposals	-	-	(606)	-	-	(606)
At 31 May 2023	5,860,983	23,527,107	3,530,797	41,540	-	32,960,427
Net book values						
At 31 May 2023	9,800,878	5,012,081	179,591	-	508,002	15,500,552
At 31 May 2021	15,118,078	7,941,162	362,398	-	1,248,459	24,670,097

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The Company						
<u>Qtr 1, 2023/24</u>						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2023	14,489,027	26,760,197	3,401,859	9,766	497,015	45,157,864
Additions					451,073	451,073
Transfers	21,436	296,494	96,653	162,365	(576,949)	-
Write off			(495)		-	(495)
Disposals			(326)		-	(326)
At 31 August 2023	14,510,463	27,056,691	3,497,692	172,131	371,139	45,508,116
Depreciation						
At 1 June 2023	5,744,479	22,119,909	3,252,439	9,766	-	31,126,593
Charge for the year	75,802	311,304	23,500	6,765	-	417,371
Write off			(403)			(403)
On disposals			(293)			(293)
At 31 August 2023	5,820,281	22,431,213	3,275,242	16,531	-	31,543,267
Net book values						
At 31 August 2023	8,690,183	4,625,478	222,449	155,600	371,139	14,064,849
<u>2022/23</u>						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2022	14,392,999	25,939,121	3,311,075	9,766	828,946	44,481,907
Additions					678,633	678,633
Transfers	96,028	821,076	93,460		(1,010,564)	-
Disposals			(2,676)			(2,676)
At 31 May 2023	14,489,027	26,760,197	3,401,859	9,766	497,015	45,157,864
Depreciation						
At 1 June 2022	5,432,616	20,790,836	3,111,261	9,766	-	29,344,479
Charge for the year	311,863	1,329,073	141,482			1,782,418
On disposals			(304)			(304)
At 31 May 2023	5,744,479	22,119,909	3,252,439	9,766	-	31,126,593
Net book values						
At 31 May 2023	8,744,548	4,640,288	149,419	-	497,015	14,031,270
At 31 May 2022	8,960,383	5,148,285	199,814	-	828,946	15,137,428

Notes to the condensed interim financial statements

2b. Right-of-use asset

	The Group			The Company		
	Q1, 2023/24	2022/23	2021/22	Q1, 2023/24	2022/23	2021/22
Cost	N'000	N'000	N'000	N'000	N'000	N'000
Opening Balance	795,847	588,847	566,522	585,298	453,298	448,698
Additions	-	297,000	32,325	-	132,000	1,600
Opening Balance	795,847	795,847	598,847	585,298	585,298	450,298
Accumulated Amortizations						
Opening Balance	592,089	495,968	355,310	453,783	388,686	276,979
Charge for the year	24,030	86,121	140,658	16,274	65,097	111,707
Closing charge	616,119	592,089	495,968	470,058	453,783	388,686
Carrying amount	179,728	203,758	92,879	115,241	131,515	64,612
Lease liability						
	Q1, 2023/24	2022/23	2021/22	Q1, 2023/24	2022/23	2021/22
	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	203,758	92,879	201,212	131,515	94,612	171,719
Additions	-	207,000	32,325	-	132,000	4,600
Payments	(24,030)	(86,121)	(140,658)	(16,274)	(65,097)	(111,707)
Closing charge	179,728	203,758	92,879	115,241	131,515	64,612
Non Current	94,349	95,627	56,746	61,453	70,131	41,944
Current	95,379	108,131	36,133	53,788	61,384	22,668
Total	179,728	203,758	92,879	115,241	131,515	64,612

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.

2c. Intangible asset

	The Group			The Company		
	Q1, 2023/24	2022/23	2021/22	Q1, 2023/24	2022/23	2021/22
Cost	N'000	N'000	N'000	N'000	N'000	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	635,771	529,811	423,848	635,771	529,811	423,848
Charge for the year	26,490	105,960	105,963	26,490	105,960	105,963
Closing charge	662,261	635,771	529,811	662,261	635,771	529,811
Carrying amount	397,357	423,847	529,808	397,357	423,847	529,808

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	The Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
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 Amount N'000	Proportion of shares held %	Proportion of shares held by NCI %
HPZ Limited	504,406	74.99	25.01
Total	504,406	74.99	25.01

4. Investment property

	The Group		The Company	
	Q1, 2023/24 N'000	2022/23 N'000	Q1, 2023/24 N'000	2022/23 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	880,236	824,131	880,236	824,131
Charge for the year	14,026	56,104	14,026	56,104
Transfers from Property, plant and equipment	-	-	-	-
Closing charge	894,262	880,236	894,262	880,236
Carrying amount				
	1,576,608	1,590,634	1,576,608	1,590,634

Further to the Group's intention to simplify its business, it 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

5. Loan receivables

During the period ended 31 May 2023, 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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Opening Balance	-	-	-	6,580,862	-	-
Addition	-	-	-	-	9,296,509	-
Interest earned	-	-	-	189,529	674,068	-
Repayment	-	-	-	(979,232)	(3,389,714)	-
Closing balance	-	-	-	5,791,158	6,580,862	-
Non- Current	-	-	-	2,632,345	3,422,048	-
Current	-	-	-	3,158,814	3,158,814	-
	-	-	-	5,791,158	6,580,862	-

6. Inventories

	The Group			The Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Raw materials and consumables	8,485,838	9,526,437	8,251,342	10,040,370	9,420,094	8,148,863
Finished goods and goods for resale	11,994,055	13,062,856	12,103,916	7,753,234	7,375,141	6,345,204
Engineering spares and other stocks	2,255,775	2,291,735	2,602,489	2,240,371	2,300,460	2,188,156
Goods in transit	10,662,463	4,167,690	3,934,032	4,237,574	826,755	2,881,080
Total	33,398,131	29,048,718	26,891,779	24,271,549	19,922,450	19,263,284

7a. Trade and other receivables

	Group			Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Receivables due within one year:						
Trade receivables	8,621,966	5,731,117	5,882,011	3,914,312	2,682,166	2,522,733
Less: provision for impairment of trade receivables	(703,259)	(780,164)	(592,188)	(574,276)	(638,235)	(448,312)
Net trade receivables	7,918,706	4,950,953	5,289,823	3,340,036	2,043,931	2,074,421
Receivables from subsidiary companies	-	-	-	541,203	-	-
Receivables from related party companies	3,170,370	2,884,607	1,370,317	3,170,370	2,840,442	1,290,630
WHT credit note receivable	1,781,557	1,380,124	662,885	1,211,439	950,352	490,300
Other receivables	1,856,987	2,217,024	923,763	1,481,065	1,827,899	892,652
Total	14,827,620	11,452,708	8,246,788	9,744,115	7,664,615	4,748,003

Notes to the condensed interim financial statements

7b. Trade and other receivables continued

	The Group			The Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Movements in the provision for impairment of trade receivables are as follows:						
Opening	(760,164)	(1,233,054)	(1,126,844)	(636,235)	(871,275)	(772,301)
Provision for receivables impairment	56,904.5	472,890	(106,210)	61,959	235,040	(98,974)
Receivables written off during the year	-	-	-	-	-	-
Closing	(703,259)	(760,164)	(1,233,054)	(574,276)	(636,235)	(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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Prepayments	901,898	166,139	273,282	884,033	166,139	273,282
Advance to Distributors & Suppliers	1,842,530	817,047	913,868	1,842,307	817,047	913,868
	2,744,428	983,186	1,187,151	2,726,340	983,186	1,187,151

9. Deposits for imports

	The Group			The Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Deliverable Forwards	-	4,056,791	-	-	383,725	-
Deposits for Letters of credits	3,733,746	958,058	622,076	790,390	9,671	324,820
	3,733,746	5,014,849	622,076	790,390	393,396	324,820

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. 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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Cash at bank	34,467,562	38,872,132	22,366,914	20,292,255	21,442,081	13,352,556
Short-term deposits with Bank	76,677,147	62,750,943	30,478,419	41,177,147	37,157,737	22,478,419
Bank Loans	-	-	-	-	-	-
Cash and cash equivalents	111,144,709	101,623,076	52,845,333	61,469,401	58,599,818	35,830,975

Notes to the condensed interim financial statements

11. Ordinary share capital

Group and company	Q1, 2023/24	
	Number in thousands	Amount N'000
Ordinary shares of 50k each	3,970,478	1,985,238
Total issued share capital	3,970,478	1,985,238
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 2022/2023	
	Number in thousands	Amount N'000
Ordinary shares of 50k each	3,970,478	1,985,238
Total issued share capital	3,970,478	1,985,238
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).

All intercompany trading balances are settled in cash. There was no provision for doubtful related party receivables at 31 August 2023 (31 August 2022: Nil) and no charges to the income statement in respect of doubtful related party receivables for the years then ended.

The company controls a subsidiary call HPZ Ltd which is domiciled in Nigeria(Note 3). Other related entities are PZ Cussons International Limited(UK), Seven Scents Limited(UK), PZ Cussons Singapore Private Limited, PZ Cussons Indonesia, PZ Cussons(Thailand) Limited, PZ Cussons Ghana Limited, PZ Cussons East Africa Limited, Harefield Industrial Nigeria Limited and PZ Wilmar Limited

Notes to the condensed interim financial statements

13 Trade and other payables

	Group			Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Trade payables	10,798,365	10,313,971	4,616,152	3,016,120	1,472,563	2,499,298
Unclaimed Dividend	1,383,421	1,817,272	1,597,570	1,383,421	1,817,272	1,597,570
Accruals	5,696,209	7,536,204	8,341,028	3,322,113	4,063,589	6,265,830
Amounts owed to subsidiaries	-	-	-	-	-	4,157,648
Amounts owed to related parties	95,116,862	58,358,492	43,835,304	68,175,579	45,547,740	32,243,179
Sundry creditors	3,184,717	1,917,796	2,602,500	2,632,748	1,579,840	1,717,791
Total	116,179,575	79,943,735	60,992,554	78,529,981	54,481,104	48,481,317
	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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Advance from customers(Contract liabilities)	443,201	361,162	1,151,393	443,201	361,162	572,350
Rent income received in advance	92,124	89,502	55,980	92,124	89,502	65,124
			126,626			
	535,326	450,664	1,343,999	535,326	450,664	637,474

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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Non-Current - Rent income received in advance	-	5,272	9,145	-	5,272	9,145
Current	535,326	445,392	1,217,373	535,326	445,392	628,329
	535,326	450,664	1,226,518	535,326	450,664	637,474

15 Borrowings

	Group			Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Borrowing from parent company(Non current)	28,108,678	18,735,092	-	28,108,678	18,735,092	-
Trade obligation with banks(Current)	14,620,025	5,277,304	-	-	-	-
	42,728,703	24,012,396	-	28,108,678	18,735,092	-

15a Borrowing from parent company

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		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Opening Balance	18,735,092	-	-	18,735,092	-	-
Additions	-	17,031,902	-	-	17,031,902	-
Foreign currency revaluation adjustment	9,373,586	1,703,190	-	9,373,586	1,703,190	-
Payment	-	-	-	-	-	-
Closing Balance	28,108,678	18,735,092	-	28,108,678	18,735,092	-

15b Trade obligation with banks

The Company is involved in trade financing arrangements with some local banks where the banks agree to pay amounts to foreign vendors in respect of invoices owed by the Company and receives settlement from the Company at a later date. The principal purpose of the arrangement is to facilitate efficient payment processing in view of the challenges being experienced with sourcing foreign currency in the Nigerian market. The arrangement enables the Company settle its foreign obligations in a timely manner to facilitate receipt of key input materials required in the production of finished goods. The total amount paid by the bank are due to be settled by the Company within one year at an average interest charge of LIBOR+8%.

	Group			Company		
	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000	Q1, 2023/24 N'000	2022/23 N'000	2021/22 N'000
Opening Balance	5,277,304	-	-	-	-	-
Additions	9,342,721	5,277,304	-	-	-	-
Closing Balance	14,620,025	5,277,304	-	-	-	-

Notes to the condensed interim financial statements

16. Taxation

	Group			Company		
	Q1, 2023/24	2022/23	2021/22	Q1, 2023/24	2022/23	2021/22
	N'000	N'000	N'000	N'000	N'000	N'000
Current tax payable						
At 1 June	8,927,549	3,697,277	1,894,465	4,268,743	1,459,748	1,105,136
Effect on initial application of IFRIC 23 - prior year	-	-	-	-	-	-
Effect on initial application of IFRIC 23 - current year	-	-	-	-	-	-
Charge for the year & CGT	-	7,348,747	3,046,668	-	3,997,197	1,539,151
Prior year adjustment	-	283,114	-	-	14,017	-
WHT Utilised during the year	-	-	-	-	-	-
Payment during the year	-	(2,401,590)	(1,243,856)	-	(1,202,219)	(1,184,539)
Payment during the year(ECC)	-	-	-	-	-	-
Closing balance	8,927,549	8,927,549	3,697,277	4,268,743	4,268,743	1,459,748

17. Deferred taxation

The Group

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2022	(302,404)	5,380,906	5,078,502
Charge to income statement	(44,054)	(1,472,594)	(1,516,648)
At 31 May 2023	(346,458)	3,908,312	3,561,854
Adjustments	-	1,358,476	1,358,476
Charge to income statement	-	-	-
At 31 Aug 2023	(346,458)	5,266,788	4,920,330

The Company

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2022	2,430,521	2,929,716	5,360,236
Charge to income statement	(48,291)	(1,225,531)	(1,273,823)
At 31 May 2023	2,382,229	1,704,184	4,086,413
Adjustments	-	1,358,476	1,358,476
Charge to income statement	-	-	-
At 31 Aug 2023	2,382,229	3,062,661	5,444,890

	The Group N'000	The Company N'000
Deferred tax assets	(524,559)	-
Deferred tax liabilities	5,444,890	5,444,890
	4,920,330	5,444,890

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

	The Group		
	Q1, 2023/24 N'000	Full Year 2023 N'000	Full Year 2022 N'000
Warranty provisions			
Opening Balance	381,312	363,389	408,840
Charged to the income statement	63,016	176,815	385,728
Utilised in the year	(96,256)	(158,891)	(429,179)
Closing Balance	348,072	381,312	363,389
The ageing of the provisions are as follows:			
Within 12 months	87,381	98,495	114,571
Greater than 12 months	260,692	282,817	248,817
Total	348,072	381,312	363,389

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. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as spare parts and labour costs.

Notes to the condensed interim financial statements

19 Cash generated from operating activities

	Group			Company		
	Q1, 2023/24 N'000	Q1, 2022/23 N'000	Year End 2022/23 N'000	Q1, 2023/24 N'000	Q1, 2022/23 N'000	Year End 2022/23 N'000
Cash flows from operating activities						
Profit before taxation	(38,635,954)	1,444,070	20,463,740	(24,223,911)	(228,360)	11,265,827
Adjustment to reconcile net income to cash provided:						
Depreciation	461,258	480,856	1,898,151	417,371	438,507	1,726,313
Depreciation - right of use assets	24,030	43,246	96,121	16,274	29,077	65,097
Depreciation of investment property	14,026	-	56,105	14,026	-	56,105
Amortization charge	26,490	26,491	105,961	26,490	26,491	105,961
Write off property, plant & equipment	91	-	-	91	-	-
(Profit)/loss on disposal of fixed assets	(14)	-	(5,941,011)	-	-	(5,941,011)
Interest expense	670,089	1,439	334,961	8,433	1,439	1,456
Interest income	(2,193,136)	(650,505)	(5,233,116)	(1,448,445)	(531,668)	(4,149,329)
	(39,633,119)	1,345,597	11,780,912	(25,189,670)	(264,514)	3,130,419
Changes in assets and liabilities in:						
Trade and other receivables	(3,374,912)	(7,641,613)	(2,847,599)	(1,289,796)	(4,569,407)	(2,602,457)
Other assets	(1,761,242)	(1,018,109)	170,513	(1,743,154)	(986,210)	251,286
Deposit for imports	1,281,103	35,928	(4,392,773)	(396,994)	218,655	(382,731)
Inventories	(4,349,414)	(7,928,145)	(2,887,132)	(4,349,099)	(6,335,471)	(1,392,864)
Borrowings	9,373,586	-	-	9,373,586	-	-
Payables and provisions	48,330,057	(1,805,559)	38,520,284	27,357,566	755,484	18,982,970
Cash flows from operating activities	9,866,059	(17,011,901)	40,344,205	3,762,439	(11,181,463)	17,986,623

20 Other incomes

	Group		Company	
	Q1, 2023/24 N'000	2022/23 N'000	Q1, 2023/24 N'000	2022/23 N'000
Rental income	78,113	319,511	113,256	460,082
Profit on disposal of fixed asset	-	5,940,822	-	5,940,822
	78,113	6,260,333	113,256	6,400,905

The profit on disposal of fixed asset relates to the sale of non-core residential property at Ikoyi, Lagos state in 2023. 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 31 August 2023 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 had been sold 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 2022/23 financial year.

	Group		Company	
	Q1, 2023/24 N'000	2022/23 N'000	Q1, 2023/24 N'000	2022/23 N'000
Opening balance	-	590,990	-	590,990
Additions	-	-	-	-
Disposal	-	(590,990)	-	(590,990)
Closing balance	-	-	-	-

Notes to the condensed interim financial statements

24 Free Float Computation

Shareholding Structure/Free Float Status

Description	31-Aug-23		31-Aug-22	
	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	2,909,349,788	73.27%	2,909,565,546	73.28%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Total Substantial Shareholdings	2,909,349,788	73.27%	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%	59,713	0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Total Directors' Shareholdings	1,063,602	0.03%	1,063,602	0.03%
Other Influential Shareholdings				
AMCON & PFA	98,793,459	2.49%	98,793,459	2.49%
		0.00%		0.00%
Total Other Influential Shareholdings	98,793,459	2.49%	98,793,459	2.49%
Free Float in Units and Percentage	961,270,151	24.21%	961,054,393	24.21%
Free Float in Value	N 16,822,227,642.50		N 7,880,646,022.60	

Declaration:

(A) PZ Cussons Nigeria Plc with a free float percentage of 24.21% as at 31 August 2023, 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 N7,880,646,022.60 as at 31 August 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.