

**PZ CUSSONS NIGERIA PLC**

**Q3, 2019/20 UNAUDITED FINANCIAL STATEMENTS**

**( 9 MONTHS ENDED 29 FEBRUARY 2020)**

***PZ Cussons Nigeria Plc***  
***Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)***

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Results at glance

GROUP					
	2019-20	2019-20	2018-19	2018-19	% Increase/ (Decrease)
	3rd Qtr (3mths) Ended 29 Feb 2020	9 months Ended 29 Feb 2020	3rd Qtr (3mths) Ended 28 Feb 2019	9 months Ended 28 Feb 2019	
	N'000	N'000	N'000	N'000	
Revenue	20,795,901	54,743,034	20,018,534	55,070,357	(0.6)
Operating Profit/(Loss)	(2,366,497)	(3,866,200)	(399,452)	1,322,068	(392.4)
<b>Profit/(Loss) Before Tax</b>	<b>(2,425,197)</b>	<b>(4,005,474)</b>	<b>(414,225)</b>	<b>936,243</b>	<b>(527.8)</b>
Taxation	488,208	488,208	-	(129,100)	-
<b>Profit/(Loss) for the period</b>	<b>(1,936,989)</b>	<b>(3,517,266)</b>	<b>(414,225)</b>	<b>807,143</b>	<b>(535.8)</b>
<b>Attributable to:</b>					
Owners of the company	(1,719,831)	(3,305,297)	(440,300)	653,049	(606.1)
Non-controlling interests	(217,158)	(211,969)	26,075	154,094	(237.6)
	<b>(1,936,989)</b>	<b>(3,517,266)</b>	<b>(414,225)</b>	<b>807,143</b>	<b>(535.8)</b>
Earnings per share (Kobo)	(49)	(89)	(10)	20	

**PZ Cussons Nigeria Plc**

**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

<b>FINANCIAL RATIOS</b>	<b>9 Months Ended 29 Feb 2020</b>	<b>9 Months Ended 28 Feb 2019</b>	<b>9 Months Ended 28 Feb 2018</b>
Gross Margin	15%	23%	29%
Operating margin	(7%)	2%	9%
Net Profit margin	(6%)	1%	2%
Current Ratio	1.4	1.6	1.4
Quick Ratio (Acid test)	0.7	0.7	0.8
NWC	14,529.5	18,864.4	18,225.5
Accounts Receivable Turnover (Sales/Average AR)	4.8	5.5	7.7
Debtors Days	56.2	49.3	35.1
Inventory Turnover (CoGS/Ave Inventory)	1.8	1.6	1.6
Stock Days	102.7	115.9	164.2
EPS (N)	(0.89)	0.20	0.34

**PZ Cussons Nigeria Plc**

**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

<b>Financial Highlights</b>	<b>9 MONTHS ENDED 29 FEB 2020 N'000</b>	<b>9 MONTHS ENDED 28 FEB 2019 N'000</b>
Net Profit/loss	(3,517,266)	807,143
	<b>9 MONTHS ENDED 29 FEB 2020 N'000</b>	<b>YEAR ENDED 31 MAY 2019 N'000</b>
Networking capital	14,529,482	18,864,396
Capital Employed	79,712,332	79,936,740
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	30,056,488	33,797,232
Shareholders Fund	41,799,575	45,752,288

**PZ Cussons Nigeria Plc**

**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

**Consolidated and separate statement of profit or loss and other comprehensive income for the third quarter ended 29 February 2020**

	The Group			The Company		
	Q3, 2019/20	Q3, 2018/19	%	Q3, 2019/20	Q3, 2018/19	%
	Total N'000	Total N'000	%Change	Total N'000	Total N'000	Change
<b>Continuing operations</b>						
Revenue	54,743,034	55,070,357	(0.6)	32,594,213	36,303,809	(10.2)
Cost of sales	(46,285,934)	(42,432,937)	9.1	(26,743,744)	(27,265,402)	(1.9)
<b>Gross profit</b>	<b>8,457,100</b>	<b>12,637,420</b>	<b>(33.1)</b>	<b>5,850,469</b>	<b>9,038,407</b>	<b>(35.3)</b>
Selling and distribution costs	(7,869,053)	(7,958,833)	(1.1)	(5,085,367)	(5,768,001)	(11.8)
Administrative expenses	(4,454,247)	(3,356,519)	32.7	(4,221,312)	(2,998,056)	40.8
<b>Operating profit</b>	<b>(3,866,200)</b>	<b>1,322,068</b>	<b>(392.4)</b>	<b>(3,456,210)</b>	<b>272,350</b>	<b>(1,369.0)</b>
Other income	140,818	91,010	54.7	246,247	196,439	25.4
Foreign exchange gain/(loss)	(127,090)	(492,384)	(74.2)	(64,787)	(381,887)	(83.0)
Interest income	262,032	224,834	16.5	293,744	337,691	(13.0)
Interest cost	(415,033)	(209,285)	98.3	(252,004)	(104,482)	141.2
Net finance cost	(153,001)	15,549	(1,084.0)	41,740	233,209	(82.1)
<b>Profit/(Loss) before taxation</b>	<b>(4,005,474)</b>	<b>936,243</b>	<b>527.8</b>	<b>(3,233,010)</b>	<b>320,111</b>	<b>1,110.0</b>
Taxation	488,208	(129,100)	(478.2)	563,281	(129,100)	(536.3)
<b>Profit/(Loss) after taxation</b>	<b>(3,517,266)</b>	<b>807,143</b>	<b>535.8</b>	<b>(2,669,729)</b>	<b>191,011</b>	<b>1,497.7</b>
<b>Attributable to:</b>						
<b>Equity holders of the parent</b>	<b>(3,305,297)</b>	<b>653,049</b>	<b>606.1</b>	<b>(2,669,729)</b>	<b>191,011</b>	<b>1,497.7</b>
<b>Non controlling interest</b>	<b>(211,969)</b>	<b>154,094</b>	<b>237.6</b>			
Basic EPS (kobo)	(89)	20		(67)	5	
Diluted EPS (kobo)	(89)	20		(67)	5	

**Consolidated and separate statement of financial position as at 29 February 2020**

	Notes	The Group		The Company	
		Q3, 2019/20	2018/19	Q3, 2019/20	2018/19
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1a	26,711,568	27,340,861	25,097,277	25,858,961
Intangible Assets	1b	768,223	847,694	768,223	847,694
Investments in subsidiaries	2	-	-	504,406	504,406
Other long-term receivables	3	1,960,609	1,990,470	1,915,572	1,945,433
		<b>29,440,400</b>	<b>30,179,025</b>	<b>28,285,478</b>	<b>29,156,494</b>
<b>Current assets</b>					
Inventories	4	24,223,744	28,599,056	13,845,720	19,168,436
Trade and other receivables	5a,b & c	15,583,363	15,165,786	9,474,973	11,493,076
Other assets	6	999,889	1,270,003	999,889	920,003
Deposits for imports	7	344,978	2,204,023	256,506	1,590,536
Cash and cash equivalents	8	9,119,957	2,518,847	6,414,679	1,987,131
		<b>50,271,931</b>	<b>49,757,715</b>	<b>30,991,767</b>	<b>35,159,182</b>
<b>Total assets</b>		<b>79,712,332</b>	<b>79,936,740</b>	<b>59,277,245</b>	<b>64,315,676</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		30,056,488	33,797,232	21,847,899	24,953,075
Equity attributable to equity holders of the company		38,919,995	42,660,739	30,711,406	33,816,582
Non controlling interest		2,879,580	3,091,549	-	-
<b>Total equity</b>		<b>41,799,575</b>	<b>45,752,288</b>	<b>30,711,406</b>	<b>33,816,582</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred taxation	13	2,121,681	3,214,813	3,334,636	4,221,430
Provisions	14	48,627	76,320	-	-
		<b>2,170,308</b>	<b>3,291,133</b>	<b>3,334,636</b>	<b>4,221,430</b>
<b>Current liabilities</b>					
Bank Overdrafts	8	-	-	-	-
Trade and other payables	11	34,935,920	30,517,298	24,908,131	26,084,671
Current taxation payable	12	531,079	192,993	323,072	192,993
Provisions	14	275,450	183,028	-	-
		<b>35,742,449</b>	<b>30,893,319</b>	<b>25,231,203</b>	<b>26,277,664</b>
<b>Total liabilities</b>		<b>37,912,757</b>	<b>34,184,452</b>	<b>28,565,839</b>	<b>30,499,094</b>
<b>Net equity and liabilities</b>		<b>79,712,332</b>	<b>79,936,740</b>	<b>59,277,245</b>	<b>64,315,676</b>

The unaudited financial statements for 9 months ended 29 February 2020 were approved and authorised for issue by the board of directors on 24 April 2020 and sign on its behalf by:



Mr. Christos Giannopoulos  
 Chief Executive officer  
 FRC/2013/IODN/0000004206



Mr. Evans Eghosa Enabulele  
 Acting Group Financial Controller  
 FRC/2017/ICAN/00000017126

**PZ Cussons Nigeria Plc**  
**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

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

	The Group					Total N'000
	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	
<b>At 1 June 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>33,297,964</b>	<b>2,947,118</b>	-	<b>45,108,589</b>
Profit for the year	-	-	1,011,420	144,431	-	1,155,851
<b>Total comprehensive income for the year</b>	-	-	<b>1,011,420</b>	<b>144,431</b>	-	<b>1,155,851</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2017			(595,572)			(595,572)
Unclaimed dividend forfeited			83,420			83,420
<b>Total transaction with owners</b>	-	-	<b>(512,152)</b>	-	-	<b>(512,152)</b>
<b>At 31 May 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>33,797,232</b>	<b>3,091,549</b>	-	<b>45,752,288</b>
<b>At 1 June 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>33,797,232</b>	<b>3,091,549</b>	-	<b>45,752,288</b>
Loss for the period	-	-	(3,305,297)	(211,969)	-	(3,517,266)
<b>Total comprehensive income for the period</b>	-	-	<b>(3,305,297)</b>	<b>(211,969)</b>	-	<b>(3,517,266)</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,125			160,125
<b>Total transaction with owners</b>	-	-	<b>(435,447)</b>	-	-	<b>(435,447)</b>
<b>At 29 February 2020</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>30,056,488</b>	<b>2,879,580</b>	-	<b>41,799,575</b>
<b>At 1 June 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>33,297,964</b>	<b>2,947,118</b>	-	<b>45,108,589</b>
Profit for the period	-	-	653,049	154,094	-	807,143
<b>Total comprehensive income for the period</b>	-	-	<b>653,049</b>	<b>154,094</b>	-	<b>807,143</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2018			(595,572)	-		(595,572)
<b>Total transaction with owners</b>	-	-	<b>(595,572)</b>	-	-	<b>(595,572)</b>
<b>At 28 February 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>33,355,441</b>	<b>3,101,212</b>	-	<b>45,320,160</b>

	Company					Total N'000
	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	
<b>At 1 June 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,886,872</b>	-	-	<b>33,750,379</b>
Profit for the year	-	-	578,355	-	-	578,355
<b>Total comprehensive income for the year</b>	-	-	<b>578,355</b>	-	-	<b>578,355</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2018			(595,572)			(595,572)
Unclaimed dividend forfeited			83,420			83,420
<b>Total transaction with owners</b>	-	-	<b>(512,152)</b>	-	-	<b>(512,152)</b>
<b>At 31 May 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,953,075</b>	-	-	<b>33,816,582</b>
<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>
Loss for the period	-	-	(2,669,729)	-	-	(2,669,729)
<b>Total comprehensive income for the year</b>	-	-	<b>(2,669,729)</b>	-	-	<b>(2,669,729)</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,125			160,125
<b>Total transaction with owners</b>	-	-	<b>(435,447)</b>	-	-	<b>(435,447)</b>
<b>At 29 February 2020</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>21,847,899</b>	-	-	<b>30,711,406</b>
<b>At 1 June 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,886,872</b>	-	-	<b>33,750,379</b>
Profit for the year	-	-	191,011	-	-	191,011
<b>Total comprehensive income for the year</b>	-	-	<b>191,011</b>	-	-	<b>191,011</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2018			(595,572)			(595,572)
<b>Total transaction with owners</b>	-	-	<b>(595,572)</b>	-	-	<b>(595,572)</b>
<b>At 28 February 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,482,311</b>	-	-	<b>33,345,818</b>



**PZ Cussons Nigeria Plc**  
**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

	Notes	The Group			The Company		
		Q3 2019/20 N'000	Q3 2018/19 N'000	Year End 2018/19 N'000	Q3 2019/20 N'000	Q3 2018/19 N'000	Year End 2018/19 N'000
<b>Cash flows from operating activities</b>							
Cash generated from operations	15	8,128,088	(8,990,631)	(9,290,996)	5,488,048	(8,458,623)	(8,313,244)
Taxation		(441)	(106,432)	(156,442)	(441)	(167,969)	(156,442)
<b>Net cash flow generated from operating activities</b>		<b>8,127,647</b>	<b>(9,097,063)</b>	<b>(9,447,438)</b>	<b>5,487,607</b>	<b>(8,626,592)</b>	<b>(8,469,686)</b>
<b>Cash flows from investing activities</b>							
Interest received		262,032	224,834	294,997	293,744	337,691	393,512
Purchase of property, plant and equipment	4	(1,214,367)	(1,024,240)	(1,454,385)	(942,630)	(911,727)	(1,325,421)
Purchase of Intangible assets		-	-	-	-	-	-
<b>Net cash used in investing activities</b>		<b>(952,335)</b>	<b>(799,406)</b>	<b>(1,159,388)</b>	<b>(648,886)</b>	<b>(574,036)</b>	<b>(931,909)</b>
<b>Cash flows from financing activities</b>							
Interest Expense		(415,033)	(209,285)	(304,027)	(252,004)	(104,482)	(175,868)
Dividends paid to Company shareholders		(159,169)	(595,572)	(595,572)	(159,169)	(595,572)	(595,572)
Dividends paid to Non controlling interests		-	-	-	-	-	-
<b>Net cash flow used in financing activities</b>		<b>(574,202)</b>	<b>(804,857)</b>	<b>(899,599)</b>	<b>(411,173)</b>	<b>(700,054)</b>	<b>(771,440)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>		<b>6,601,111</b>	<b>(10,701,327)</b>	<b>(11,506,425)</b>	<b>4,427,548</b>	<b>(9,900,682)</b>	<b>(10,173,035)</b>
<b>Cash, cash equivalents and bank overdrafts at the beginning of the year</b>		<b>2,518,847</b>	<b>14,025,272</b>	<b>14,025,272</b>	<b>1,987,131</b>	<b>12,160,166</b>	<b>12,160,166</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>		<b>9,119,958</b>	<b>3,323,945</b>	<b>2,518,847</b>	<b>6,414,679</b>	<b>2,259,484</b>	<b>1,987,131</b>

**PZ Cussons Nigeria Plc**

**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

**1a Property, plant and equipment**

<b>The Group</b>						
<b>Otr 3, 2019/20</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Furniture, fittings and IT equipment</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					1,214,367	1,214,367
Reclassifications	2	210,083	41,015	561	(251,661)	-
At 29 February 2020	19,542,831	25,051,384	3,449,198	569,571	2,219,767	50,832,750
<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	270,728	1,280,356	292,015	561		1,843,660
At 29 February 2020	4,111,142	16,621,457	2,819,012	569,571	-	24,121,182
<b>Net book values</b>						
At 29 February 2020	15,431,689	8,429,927	630,186	-	2,219,767	26,711,568
<b>2018/19</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Furniture, fittings and IT equipment</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 2018	19,493,538	22,773,437	3,218,554	569,010	2,109,459	48,163,998
Additions	-	-	-	-	1,454,385	1,454,385
Transfers	49,291	2,067,864	189,629	-	(2,306,784)	-
At 31 May 2019	19,542,829	24,841,301	3,408,183	569,010	1,257,060	49,618,383
<b>Depreciation</b>						
At 1 June 2018	3,479,648	13,556,901	2,130,280	566,840		19,733,669
Charge for the year	360,766	1,784,200	396,717	2,170		2,543,853
At 31 May 2019	3,840,414	15,341,101	2,526,997	569,010	-	22,277,522
<b>Net book values</b>						
At 31 May 2019	15,702,415	9,500,200	881,186	-	1,257,060	27,340,861
At 31 May 2018	16,013,890	9,216,536	1,088,274	2,170	2,109,459	28,430,329

**PZ Cussons Nigeria Plc**  
**Q3, 2019/20 unaudited financial statement (9 months ended 29 February 2020)**

**The Company**

**Qtr 3, 2019/20**

<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Furniture, fittings and IT equipment</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	19,025,340	23,181,966	3,150,283	485,561	1,156,339	46,999,489
Additions					942,630	942,630
Reclassifications	2	210,083	41,015	561	(251,661)	-
Intercoy transfers						-
Disposals	-					-
At 29 February 2020	19,025,342	23,392,049	3,191,298	486,122	1,847,308	47,942,119
<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	263,017	1,153,463	287,273	561		1,704,314
Intercoy transfers						-
On disposals						-
At 29 February 2020	4,059,507	15,702,092	2,597,121	486,122	-	22,844,842
<b>Net book values</b>						
At 29 February 2020	14,965,835	7,689,957	594,177	-	1,847,308	25,097,277
<b>2018/19</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Furniture, fittings and IT equipment</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 2018	18,977,049	21,162,768	2,995,347	485,561	2,053,343	45,674,068
Additions	-	-	-	-	1,325,421	1,325,421
Reclassification	48,291	2,019,198	154,936	-	(2,222,425)	-
At 31 May 2019	19,025,340	23,181,966	3,150,283	485,561	1,156,339	46,999,489
<b>Depreciation</b>						
At 1 June 2018	3,446,093	12,935,530	1,924,689	485,561	-	18,791,873
Charge for the year	350,397	1,613,099	385,159	-		2,348,655
Intercompany Transfers write offs						-
On disposals						-
At 31 May 2019	3,796,490	14,548,629	2,309,848	485,561	-	21,140,528
<b>Net book values</b>						
At 31 May 2019	15,228,850	8,633,337	840,435	-	1,156,339	25,858,961
At 31 May 2018	15,530,956	8,227,238	1,070,658	-	2,053,343	26,882,195

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**Notes to the financial statements**

**1b Intangible asset**

	The Group			The Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
<b>Cost</b>						
Opening Balance	1,059,618	1,059,618	1,017,337	1,059,618	1,059,618	1,017,337
Additions			42,281			42,281
<b>Opening Balance</b>	<b>1,059,618</b>	<b>1,059,618</b>	<b>1,059,618</b>	<b>1,059,618</b>	<b>1,059,618</b>	<b>1,059,618</b>
<b>Accumulated Amortizations</b>						
Opening Balance	(211,924)	(105,962)		(211,924)	(105,962)	
Charge for the year	(79,471)	(105,962)	(105,962)	(79,471)	(105,962)	(105,962)
<b>Closing charge</b>	<b>(291,395)</b>	<b>(211,924)</b>	<b>(105,962)</b>	<b>(291,395)</b>	<b>(211,924)</b>	<b>(105,962)</b>
<b>Carrying amount</b>						
	<b>768,223</b>	<b>847,694</b>	<b>953,656</b>	<b>768,223</b>	<b>847,694</b>	<b>953,656</b>

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.

**2 Investments in subsidiaries**

	The Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
<b>The Company</b>			
At 31 August	504,406	504,406	504,406
Additions	-	-	-
<b>Total</b>	<b>504,406</b>	<b>504,406</b>	<b>504,406</b>

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 %
<b>Total</b>	<b>504,406</b>	<b>74.99</b>	<b>25.01</b>

**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.

	The Group			The Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Advances to HPZ Distributors	-	-	24,483	-	-	-
Prepayments over 1 year	-	29,861	-	-	29,861	-
Export rebates receivables & Export credit certificates	1,960,609	1,960,609	1,960,609	1,915,572	1,915,572	1,915,572
<b>Total</b>	<b>1,960,609</b>	<b>1,990,470</b>	<b>1,985,092</b>	<b>1,915,572</b>	<b>1,945,433</b>	<b>1,915,572</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		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Raw materials and consumables	14,881,143	9,085,772	11,349,396	8,244,943	9,027,018	11,249,904
Finished goods and goods for resale	6,601,612	11,361,457	8,092,237	3,056,706	6,097,145	5,459,211
Engineering spares and other stocks	2,740,989	2,918,618	2,845,835	2,544,071	2,766,878	2,729,687
Goods in transit	-	5,233,209	3,752,078	-	1,277,395	935,667
<b>Total</b>	<b>24,223,744</b>	<b>28,599,056</b>	<b>26,039,546</b>	<b>13,845,720</b>	<b>19,168,436</b>	<b>20,374,469</b>

**5a Trade and other receivables**

	Group			Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Receivables due within one year:						
Trade receivables	11,956,891	10,845,936	9,253,817	5,784,017	5,654,404	5,266,464
Less: provision for impairment of trade receivables	(1,342,217)	(1,233,054)	(1,126,844)	(1,091,045)	(871,275)	(772,301)
Net trade receivables	10,614,674	9,612,882	8,126,973	4,692,972	4,783,129	4,494,163
Receivables from subsidiary companies	-	-	-	379,642	1,584,419	-
Receivables from related party companies	2,930,806	3,989,569	4,029,890	2,930,806	3,989,569	3,250,482
WHT credit note receivable	783,441	552,108	-	579,030	439,074	-
Advances to Distributors	61,056	-	106,156	-	-	-
Other receivables	1,193,387	1,011,227	829,772	892,523	696,885	566,226
<b>Total</b>	<b>15,583,363</b>	<b>15,165,786</b>	<b>13,092,791</b>	<b>9,474,973</b>	<b>11,493,076</b>	<b>8,310,871</b>

**5b Advances to distributors**

	Group			Company		
	Q2, 2019/20 N'000	Q2, 2018/19 N'000	2017/18 N'000	Q2, 2019/20 N'000	Q2, 2018/19 N'000	2017/18 N'000
Non current portion (Note 5a)	-	-	24,483	-	-	-
Current portion(5a)	61,056	-	106,156	-	-	-
<b>Total</b>	<b>61,056</b>	<b>-</b>	<b>130,639</b>	<b>-</b>	<b>-</b>	<b>-</b>

The advances to suppliers were made in respect to the subsidiary entity - HPZ Ltd

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**Notes to the financial statements**

**5c Trade and other receivables continued**

	The Group			The Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Movements in the provision for impairment of trade receivables are as follows:						
<b>Opening</b>	(1,233,054)	(1,126,844)	(582,793)	(871,275)	(772,301)	(404,719)
Provision for receivables impairment	(109,163)	(106,210)	(544,051)	(219,770)	(98,974)	(367,582)
Receivables written off during the year	-	-	-	-	-	-
<b>Closing</b>	<b>(1,342,217)</b>	<b>(1,233,054)</b>	<b>(1,126,844)</b>	<b>(1,091,045)</b>	<b>(871,275)</b>	<b>(772,301)</b>

All trade receivables are denominated in Nigerian Naira.

The credit risk of customers are assessed at a subsidiary and group level, taking into account their financial positions, past experiences and other factors. Individual customer credit limits are determined 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.

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		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Prepayments	226,548	123,663	195,271	226,548	123,663	149,668
Advance to suppliers	773,341	1,146,340	1,322,244	773,341	796,340	1,322,244
	<b>999,889</b>	<b>1,270,003</b>	<b>1,517,515</b>	<b>999,889</b>	<b>920,003</b>	<b>1,471,912</b>

**7 Deposits for imports**

	The Group			The Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Deliverable Forwards	344,978	-	1,969,933	256,506	-	1,767,887
Deposits for Letters of credits	-	2,204,023	366,852	-	1,590,536	-
	<b>344,978</b>	<b>2,204,023</b>	<b>2,336,785</b>	<b>256,506</b>	<b>1,590,536</b>	<b>1,767,887</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		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Cash at bank and in hand	9,119,957	2,518,847	14,260,256	6,414,679	1,987,131	12,395,151
Bank Overdrafts	-	-	(234,985)	-	-	(234,985)
<b>Cash and cash equivalents</b>	<b>9,119,957</b>	<b>2,518,847</b>	<b>14,025,271</b>	<b>6,414,679</b>	<b>1,987,131</b>	<b>12,160,166</b>

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**Notes to the financial statements**

**9 Ordinary share capital**

Group and company	Q3, 2020	
	Number in thousands	Amount N'000
<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>

Group and company	Full Year 2019	
	Number in thousands	Amount N'000
<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>

**10 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% (31 May 2019: 73.27%) of the group and company's shares. The remaining 26.73% (31 May 2019: 26.73%) of the shares are widely held. The Group's parent is PZ Cussons (Holdings) Limited (incorporated in the United Kingdom) and its global ultimate parent is PZ Cussons Plc (also incorporated in the United Kingdom).

All intercompany trading balances are settled in cash. There was no provision for doubtful related party receivables at 29 February 2020 (31 May 2019: 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 - HPZ Ltd which is domiciled in Nigeria. Please see Note 2 for details.

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**Notes to the financial statements**

**11 Trade and other payables**

	Group			Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
Trade payables	2,091,792	3,546,519	2,585,052	2,118,654	2,640,268	2,531,533
Unclaimed Dividend	1,806,420	1,966,545	2,120,565	1,806,420	1,966,545	2,120,565
Accruals	2,747,401	3,176,166	3,164,472	1,442,493	2,343,155	2,413,922
Amounts owed to subsidiaries	-	-	-	1,745,448	6,186,173	4,867,624
Amounts owed to related parties	26,054,944	20,087,395	31,406,909	15,523,056	11,521,223	23,855,218
Sundry creditors	2,235,363	1,740,673	927,851	2,272,061	1,427,307	678,175
<b>Total</b>	<b>34,935,920</b>	<b>30,517,298</b>	<b>40,204,849</b>	<b>24,908,131</b>	<b>26,084,671</b>	<b>36,467,037</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>	<b>Days</b>	<b>Days</b>	<b>Days</b>
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.

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**Notes to the financial statements**

**12 Taxation**

Current tax payable	Group			Company		
	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000	Q3, 2019/20 N'000	2018/19 N'000	2017/18 N'000
<b>At 1 June</b>	192,993	457,818	2,555,256	192,993	457,708	988,994
Charge for the year	604,924	(6,384)	363,945	323,513	(6,384)	400,347
WHT Utilised during the year	(178,697)	(101,999)	(100,725)	(178,697)	(101,889)	(69,906)
Adjustments/ECC utilised	(87,700)	-	-	(14,296)	-	-
Payment during the year	(441)	(156,442)	(2,360,658)	(441)	(156,442)	(861,727)
<b>Closing balance</b>	<b>531,079</b>	<b>192,993</b>	<b>457,818</b>	<b>323,072</b>	<b>192,993</b>	<b>457,708</b>

**13 Deferred taxation**

**The Group**

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2018	(445,633)	2,867,466	2,421,833
Charge to income statement	792,980	-	792,980
<b>At 31 May 2019</b>	<b>347,347</b>	<b>2,867,466</b>	<b>3,214,813</b>
Adjustments	-	-	-
Charge to income statement	-	(1,093,132)	(1,093,132)
<b>At 29 February 2019</b>	<b>347,347</b>	<b>1,774,334</b>	<b>2,121,681</b>

**The Company**

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2018	2,561,206	1,104,804	3,666,010
Charge to income statement	555,420	-	555,420
<b>At 31 May 2019</b>	<b>3,116,626</b>	<b>1,104,804</b>	<b>4,221,430</b>
Adjustments	-	-	-
Charge to income statement	-	(886,794)	(886,794)
<b>At 29 February 2019</b>	<b>3,116,626</b>	<b>218,010</b>	<b>3,334,636</b>

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	(1,212,955)	-
Deferred tax liabilities	3,334,636	3,334,636
<b>Group and company</b>	<b>2,121,681</b>	<b>3,334,636</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.

**14 Provisions**

Warranty provisions	The Group		
	Q3, 2020 N'000	Full Year 2019 N'000	Full Year 2018 N'000
<b>Openin Balance</b>	259,348	187,896	271,775
Charged to the income statement	275,450	183,028	84,380
Utilised in the year	(210,721)	(111,576)	(168,259)
<b>Closing Balance</b>	<b>324,077</b>	<b>259,348</b>	<b>187,896</b>
The ageing of the provisions are as follows:	324,077	259,348	187,896
Within 12 months	275,450	183,028	84,380
Greater than 12 months	48,627	76,320	103,516
<b>Total</b>	<b>324,077</b>	<b>259,348</b>	<b>187,896</b>

**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.



**15 Cash generated from operating activities**

	Group			Company		
	Q3, 2019/20 N'000	Q3 2018/19 N'000	Year End 2018/19 N'000	Q3, 2019/20 N'000	Q3 2018/19 N'000	Year End 2018/19 N'000
<b>Cash flows from operating activities</b>						
Profit before taxation	(4,005,474)	936,243	1,942,447	(3,233,010)	320,111	1,127,391
<b>Adjustment to reconcile net income to cash provided:</b>						
Depreciation	1,843,660	1,934,568	2,543,853	1,704,314	1,794,120	2,348,655
Amortization charge	79,471	79,471	105,962	79,471	79,471	105,962
Prior year Adjustments		129,100			129,100	
(Profit)/loss on disposal of fixed assets			-	-	-	-
Unclaimed dividend forfeited	-		83,420	-	-	83,420
Interest expense	415,033	209,285	304,027	252,004	104,482	175,868
Interest income	(262,032)	(224,834)	(294,997)	(293,744)	(337,691)	(393,512)
	(1,929,343)	3,063,833	4,684,712	(1,490,966)	2,089,593	3,447,784
<b>Changes in assets and liabilities</b>						
(Increase)/decrease in trade and other receivables	(387,716)	(4,518,267)	(2,204,856)	2,018,103	(3,122,718)	(1,368,521)
Decrease/(increase) in other assets	77,121	563,054	247,512	(402,958)	576,979	551,909
Decrease/(increase) in deposit for imports	1,859,045	1,105,278	132,763	1,334,030	1,368,016	177,351
Decrease/(increase) in inventories	4,375,312	(1,719,920)	(2,559,510)	5,322,716	1,751,330	1,206,033
Increase/(decrease) in trade, other payables and provisions	4,133,669	(7,484,609)	(9,591,617)	(1,292,877)	(11,121,823)	(12,327,800)
<b>Cash flows from operating activities</b>	<b>8,128,088</b>	<b>(8,990,631)</b>	<b>(9,290,996)</b>	<b>5,488,048</b>	<b>(8,458,623)</b>	<b>(8,313,244)</b>

**16 Subsequent events**

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company and Group as at 29 February 2020 that have not been adequately provided for or disclosed in these condensed interim financial statements.

**Coronavirus (Covid-19) Pandemic**

As at the date of the approval of the unaudited result for the third quarter (9 month ended 29 February, 2020), the Company and Group was in the process of assessing the impact of COVID-19 on its operations. At this stage, it is expected that the impact of COVID-19 will be more visible in the last quarter of the financial year ending 31 May, 2020 and appropriate disclosure will be made in the next reporting period.