

**PZ CUSSONS NIGERIA PLC**

**Q1 UNAUDITED FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED 31 AUGUST 2016**

	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Q1 2015</b>
Gross Margin	35%	27%	27%
Operating margin	13%	4%	5%
Net Profit margin	-9%	3%	4%
Current Ratio	1.5	1.8	2.2
Quick Ratio (Acid test)	0.9	1.1	1.1
NWC	17,832.4	20,829.6	22,607.1
Accounts Receivable Turnover (Sales/Average AR)	2.5	1.7	1.8
Debtors Days ( Closing Trade debtors/Total sales)*90	36.0	52.2	57.2
Inventory Turnover (CoGS/Ave Inventory)	0.6	0.5	0.5
Stock Days (90/Inventory turnover)	165.9	169.5	172
EPS (N)	(0.40)	0.11	0.16

**1st QTR ENDED  
31 AUGUST 2016**

**1st QTR ENDED  
29 AUGUST 2015**

**Financial Performance**

	<b><u>N'000</u></b>	<b><u>N'000</u></b>
Net Profit/(loss)	(1,585,742)	427,851
Networking capital	17,832,353	20,829,595
Capital Employed	79,858,153	74,430,174
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	30,600,776	32,037,137
Shareholders Fund	41,817,228	43,402,970

<b>PZ Cussons Nigeria PLC</b>						
<b>Unaudited consolidated statement of profit or loss and other comprehensive income</b>						
<b>for the Quarter ended 31 Aug 2016</b>						
	<b>The Group</b>			<b>The Company</b>		
	<b>Q1, 2016/17</b>	<b>Q1, 2015/16</b>	<b>%</b>	<b>Q1, 2016/17</b>	<b>Q1, 2015/16</b>	<b>%</b>
	<b>Total</b>	<b>Total</b>	<b>%Change</b>	<b>Total</b>	<b>Total</b>	<b>Change</b>
	<b>N'000</b>	<b>N'000</b>		<b>N'000</b>	<b>N'000</b>	
<b>Continuing operations</b>						
Revenue	16,752,793	14,953,066	12.0	16,752,793	14,953,066	0.1
Cost of sales	(10,970,634)	(10,842,717)	1.2	(13,578,039)	(12,105,119)	0.1
<b>Gross profit</b>	<b>5,782,159</b>	<b>4,110,349</b>	<b>40.7</b>	<b>3,174,754</b>	<b>2,847,947</b>	<b>0.1</b>
Selling and distribution costs	(2,255,070)	(2,133,399)	5.7	(1,546,214)	(1,621,211)	(0.0)
Administrative expenses	(1,316,710)	(1,352,589)	(2.7)	(1,152,245)	(1,211,099)	(0.0)
	-	-		-	-	
<b>Operating profit</b>	<b>2,210,379</b>	<b>624,361</b>	<b>254.0</b>	<b>476,295</b>	<b>15,637</b>	<b>29.5</b>
Other income	58,557	72,070	(18.7)	89,496	101,993	(0.1)
Foreign exchange gain/(loss)**	(4,701,026)	14,968	(31,507.2)	(2,096,358)	16,106	(131.2)
Interest income	95,777	48,301	98.3	-	-	-
Interest cost	(94,810)	(212,908)	(55.5)	(143,023)	(246,411)	(0.4)
Net finance cost	967	(164,607)	(100.6)	(143,023)	(246,411)	(0.4)
<b>Profit / (Loss) before taxation</b>	<b>(2,431,123)</b>	<b>546,792</b>	<b>(544.6)</b>	<b>(1,673,590)</b>	<b>(112,675)</b>	<b>13.9</b>
Taxation	845,381	(118,941)	(810.8)	685,133	(7,238)	(95.7)
<b>Profit / (Loss) after taxation</b>	<b>(1,585,742)</b>	<b>427,851</b>	<b>(470.6)</b>	<b>(988,457)</b>	<b>(119,913)</b>	<b>7.2</b>
<b>Attributable to:</b>						
<b>Equity holders of the parent</b>	<b>(1,436,361)</b>	<b>377,165</b>	<b>(480.8)</b>	<b>(988,457)</b>	<b>(119,913)</b>	<b>7.2</b>
<b>Non controlling interest</b>	<b>(149,381)</b>	<b>50,686</b>	<b>(394.7)</b>			
Basic EPS (kobo)	(40)	11		(25)	(3)	
Diluted EPS (kobo)	(40)	11		(25)	(3)	
**Foreign exchange movements were previously reported as part of cost of sales.						
The results shown above for 2015/16 in comparison to 2014/15 relate to continuing operations.						

<b>PZ Cussons Nigeria Plc</b>					
<b>Unaudited consolidated statement of financial position</b>					
<b>as at 31 Aug 2016</b>					
		<b>The Group</b>		<b>The Company</b>	
		<b>Q1 2016/17</b>	<b>2015/16</b>	<b>Q1 2016/17</b>	<b>2015/16</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	26,484,964	26,504,924	25,343,673	25,339,722
Investments in subsidiaries	5	-	-	504,406	504,406
		<b>26,484,964</b>	<b>26,504,924</b>	<b>25,848,079</b>	<b>25,844,128</b>
<b>Current assets</b>					
Inventories	6	20,602,160	19,278,455	13,568,405	14,342,118
Trade and other receivables	7	14,964,967	15,587,350	11,472,429	11,358,182
Deposits for letter of credit	8	320,998	191,791	199,243	191,791
Cash and cash equivalents	9	17,485,064	12,867,654	8,632,600	4,524,881
		<b>53,373,189</b>	<b>47,925,250</b>	<b>33,872,677</b>	<b>30,416,972</b>
<b>Total assets</b>		<b>79,858,153</b>	<b>74,430,174</b>	<b>59,720,756</b>	<b>56,261,100</b>
<b>Equity</b>					
Ordinary share capital	16	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		30,600,776	32,037,137	23,940,325	24,928,782
Equity attributable to equity holders of the company		39,464,283	40,900,644	32,803,832	33,792,289
Non controlling interest		2,352,945	2,502,326	-	-
<b>Total equity</b>		<b>41,817,228</b>	<b>43,402,970</b>	<b>32,803,832</b>	<b>33,792,289</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred taxation	14	2,195,719	3,694,005	3,393,928	4,108,185
Provisions	15	304,370	237,544	-	-
		<b>2,500,089</b>	<b>3,931,549</b>	<b>3,393,928</b>	<b>4,108,185</b>
<b>Current liabilities</b>					
Trade and other payables	12	33,605,857	25,716,237	23,185,551	18,034,963
Current taxation payable	13	1,912,932	1,289,711	337,445	325,663
Provisions	15	22,047	89,707	-	-
		<b>35,540,836</b>	<b>27,095,655</b>	<b>23,522,996</b>	<b>18,360,626</b>
<b>Total liabilities</b>		<b>38,040,925</b>	<b>31,027,204</b>	<b>26,916,924</b>	<b>22,468,811</b>
<b>Net equity and liabilities</b>		<b>79,858,153</b>	<b>74,430,174</b>	<b>59,720,756</b>	<b>56,261,100</b>
					-
					-

**PZ Cussons Nigeria Plc**  
**Unaudited consolidated statement of changes in equity**  
**as at 31 August 2016**

	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	
At 1 June 2015	1,985,238	6,878,269	32,573,287	2,235,650	-	<b>43,672,444</b>
Profit for the year	-	-	1,863,013	266,676	-	<b>2,129,689</b>
Deferred tax on revalued assets transferred to reserves	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>1,863,013</b>	<b>266,676</b>	-	<b>2,129,689</b>
Transactions with owners:						
Dividend paid relating to year ended 31 May 2014			(2,421,991)			(2,421,991)
Unclaimed dividend forfeited			22,828			22,828
<b>Total transaction with owners</b>	-	-	<b>(2,399,163)</b>	-	-	<b>2,399,163</b>
<b>At 31 May 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>32,037,137</b>	<b>2,502,326</b>	-	<b>43,402,970</b>
<b>At 1 June 2015</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>32,037,137</b>	<b>2,502,326</b>	-	<b>43,402,970</b>
Profit for the period	-	-	(1,436,361)	(149,381)	-	(1,585,742)
<b>Total comprehensive income for the period</b>	-	-	<b>(1,436,361)</b>	<b>(149,381)</b>	-	<b>(1,585,742)</b>
Transactions with owners:						
<b>Total transaction with owners</b>	-	-	-	-	-	-
<b>At 31 August 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>30,600,776</b>	<b>2,352,945</b>	-	<b>41,817,228</b>

*Note: The group recognised Plant, Property and Equipment at deemed cost in the preparation of the IFRS opening statement of financial position. Accordingly, revaluation reserve of N7.5 billion existing in the NGAAP financial statements was*

**PZ Cussons Nigeria Plc**  
**Unaudited Statement of changes in equity**  
**as at 31 August 2016**

	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	
At 1 June 2015	1,985,238	6,878,269	17,721,422	-	-	<b>26,584,929</b>
Profit for the year	-	-	389,999	-	-	<b>389,999</b>
<b>Total comprehensive income for the year</b>	-	-	<b>389,999</b>	-	-	<b>389,999</b>
Transactions with owners:						
Excess of net assets acquired w.r.t PZT & PZP			9,216,524			9,216,524
Dividend paid relating to year ended 31 May 2015			(2,421,991)			(2,421,991)
Unclaimed dividend forfeited			22,828			22,828
<b>Total transaction with owners</b>	-	-	<b>6,817,361</b>	-	-	<b>6,817,361</b>
<b>At 31 May 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,928,782</b>	-	-	<b>33,792,289</b>
<b>At 1 June 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,928,782</b>	-	-	<b>33,792,289</b>
Loss for the year	-	-	(988,457)	-	-	(988,457)
<b>Total comprehensive income for the year</b>	-	-	<b>(988,457)</b>	-	-	<b>(988,457)</b>
Transactions with owners:						
<b>Total transaction with owners</b>	-	-	-	-	-	-
<b>At 31 August 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>23,940,325</b>	-	-	<b>32,803,832</b>

*Note: The group recognised Plant, Property and Equipment at deemed cost in the preparation of the IFRS opening statement of financial position. Accordingly, revaluation reserve of*

**PZ Cussons Nigeria Plc**  
**Statement of Cash flows**  
**At 31 AUGUST 2016**

	The Group		The Company	
	Q1 2016/17 N'000	2015/16 N'000	Q1 2016/17 N'000	2015/16 N'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	5,158,008	18,385,369	4,768,897	9,924,033
Taxation	(29,684)	(1,609,691)	(17,342)	(592,686)
<b>Net cash flow generated from operating activities</b>	<b>5,128,324</b>	<b>16,775,678</b>	<b>4,751,555</b>	<b>9,331,347</b>
<b>Cash flows from investing activities</b>				
Interest received	95,777	210,256	-	8,417
Purchase of property, plant and equipment	(521,022)	(3,453,991)	(506,077)	(3,159,691)
changes in investment w.r.t subsidiaries				22,000
Proceeds from sale of property, plant and equipment	9,141	26,897	5,264	24,477
<b>Net cash used in investing activities</b>	<b>(416,104)</b>	<b>(3,216,838)</b>	<b>(500,813)</b>	<b>(3,104,797)</b>
<b>Cash flows from financing activities</b>				
Interest Expense	(94,810)	(597,667)	(143,023)	(853,304)
Dividends paid to Company shareholders	-	(2,421,991)	-	(2,421,991)
Dividends paid to Non controlling interests	-	-	-	-
<b>Net cash flow used in financing activities</b>	<b>(94,810)</b>	<b>(3,019,658)</b>	<b>(143,023)</b>	<b>(3,275,295)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>4,617,410</b>	<b>10,539,182</b>	<b>4,107,719</b>	<b>2,951,255</b>
<b>Cash, cash equivalents and bank overdrafts at the beginning of the year</b>	<b>12,867,654</b>	<b>2,328,472</b>	<b>4,524,881</b>	<b>1,573,626</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>17,485,064</b>	<b>12,867,654</b>	<b>8,632,600</b>	<b>4,524,881</b>

PZ Cussons Nigeria Plc							
Notes to the consolidated financial statements							
4. Property, plant and equipment							
The Group							
1st Otr. 2017							
Cost	Freehold land and buildings	Leasehold land and buildings	Plant and Machinery	Office furniture and fittings	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2016	29,048	17,671,124	18,701,419	2,042,602	621,463	2,344,088	41,409,744
Additions	-	-	-	-	-	521,022	521,022
Reclassifications	-	1,375	4,190	21,198	-	(26,763)	-
Write Off	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 August 2016	29,048	17,672,499	18,705,609	2,063,800	621,463	2,838,347	41,930,766
<b>Depreciation</b>							
At 1 June 2016	6,971	2,796,978	9,938,094	1,561,084	601,692	-	14,904,819
Charge for the year	145	80,670	409,221	47,631	3,316	-	540,983
Impairment charge	-	-	-	-	-	-	-
On Write off	-	-	-	-	-	-	-
On Disposals	-	-	-	-	-	-	-
At 31 August 2016	7,116	2,877,648	10,347,315	1,608,715	605,008	-	15,445,802
<b>Net book values</b>							
At 31 August 2016	21,932	14,794,851	8,358,294	455,085	16,455	2,838,347	26,484,964
2016							
Cost	Freehold land and buildings	Leasehold land and buildings	Plant and Machinery	Office furniture and fittings	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2015	29,048	15,942,343	18,407,439	2,101,530	718,480	2,543,294	39,742,134
Additions	-	-	-	-	-	3,453,991	3,453,991
Transfers	-	1,728,781	1,630,990	293,424	-	(3,653,195)	-
Write Off	-	-	(1,209,967)	(333,114)	(17,426)	-	(1,560,507)
Disposals	-	-	(127,044)	(19,239)	(79,589)	-	(225,872)
At 31 May 2016	29,048	17,671,124	18,701,418	2,042,601	621,465	2,344,090	41,409,746
<b>Depreciation</b>							
At 1 June 2015	6,391	2,495,306	9,636,970	1,705,384	680,236	-	14,524,287
Charge for the year	581	301,672	1,628,729	207,942	16,202	-	2,155,126
On Write off	-	-	(1,200,559)	(333,005)	(17,427)	-	(1,550,991)
On Disposals	-	-	(127,044)	(19,237)	(77,319)	-	(223,600)
At 31 May 2016	6,972	2,796,978	9,938,096	1,561,084	601,692	-	14,904,822
<b>Net book values</b>							
At 31 May 2016	22,076	14,874,146	8,763,322	481,517	19,773	2,344,090	26,504,924
At 31 May 2015	22,657	13,447,037	8,770,469	396,146	38,244	2,543,294	25,217,847
The Company							
1st Otr. 2017							
Cost	Freehold land and buildings	Leasehold land and buildings	Plant and Machinery	Office furniture and fittings	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2016	29,048	17,293,653	17,660,307	1,835,895	534,709	2,239,256	39,592,868
Additions	-	-	-	-	-	506,077	506,077
Reclassifications	-	1,375	4,190	21,198	-	(26,763)	-
Intercoy transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 August 2016	29,048	17,295,028	17,664,497	1,857,093	534,709	2,718,570	40,098,945
<b>Depreciation</b>							
At 1 June 2015	6,971	2,782,050	9,532,890	1,400,517	530,717	-	14,253,145
Charge for the year	145	78,638	384,648	38,086	610	-	502,127
Intercoy transfers	-	-	-	-	-	-	-
On disposals	-	-	-	-	-	-	-
At 31 August 2016	7,116	2,860,688	9,917,538	1,438,603	531,327	-	14,755,272
<b>Net book values</b>							
At 31 August 2016	21,932	14,434,340	7,746,959	418,490	3,382	2,718,570	25,343,673
2016							
Cost	Freehold land and buildings	Leasehold land and buildings	Plant and Machinery	Office furniture and fittings	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2015	29,048	14,113,506	12,063,141	1,787,266	612,462	2,041,138	30,646,561
Additions	-	-	-	-	-	3,159,691	3,159,691
Reclassification	-	1,514,562	1,302,532	285,525	-	(3,102,619)	-
Intercompany Transfers	-	1,665,585	5,604,268	66,191	2,079	141,046	7,479,169
write offs	-	-	(1,182,590)	(291,278)	(17,427)	-	(1,491,295)
Disposals	-	-	(127,044)	(11,809)	(62,405)	-	(201,258)
At 31 May 2016	29,048	17,293,653	17,660,307	1,835,895	534,709	2,239,256	39,592,868
<b>Depreciation</b>							
At 1 June 2015	6,391	2,337,763	6,963,433	1,496,390	602,911	-	11,406,888
Charge for the year	581	275,887	1,172,564	157,731	5,027	-	1,611,790
Intercompany Transfers	-	168,400	2,697,281	49,447	2,079	-	2,917,207
write offs	-	-	(1,173,344)	(291,243)	(17,427)	-	(1,482,014)
On disposals	-	-	(127,044)	(11,808)	(61,873)	-	(200,725)
At 31 May 2016	6,972	2,782,050	9,532,890	1,400,517	530,717	-	14,253,146
<b>Net book values</b>							
At 31 May 2016	22,076	14,511,603	8,127,417	435,378	3,992	2,239,256	25,339,722
At 31 May 2015	22,657	11,775,743	5,099,708	290,876	9,551	2,041,138	19,239,673



<b>PZ Cussons Nigeria Plc</b>						
<b>Notes to the consolidated financial statements</b>						
<b>The Company</b>						
<b>5. Investments in subsidiaries</b>					<b>Q1 2017</b>	<b>2016</b>
					<b>N'000</b>	<b>N'000</b>
<b>The Company</b>						
At 30 August 2015					504,406	504,406
Additions					-	-
<b>Total</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						
					<b>ownership</b>	
					<b>N'000</b>	<b>%</b>
HPZ Limited					504,406	74.99
Roberts Pharmaceuticals Limited						
PZ Power Company Limited						
PZ Tower Limited						
<b>Total</b>					<b>504,406</b>	
<b>6. Inventories</b>						
			<b>The Group</b>		<b>The Company</b>	
	<b>Q1 2017</b>	<b>2016</b>	<b>2015</b>	<b>Q1 2017</b>	<b>2016</b>	<b>2015</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>
Raw materials and consumables	10,743,711	10,958,734	12,236,662	8,724,250	9,192,746	8,053,017
Work in progress						
Finished goods and goods for resale	7,507,496	6,095,554	7,148,479	2,589,393	3,111,617	3,828,686
Engineering spares and other stocks	2,350,953	2,224,167	1,627,490	2,254,762	2,037,755	1,359,895
<b>Total</b>	<b>20,602,160</b>	<b>19,278,455</b>	<b>21,012,631</b>	<b>13,568,405</b>	<b>14,342,118</b>	<b>13,241,598</b>
<b>7. Trade and other receivables</b>						
			<b>Group</b>		<b>Company</b>	
Receivables due within one year:	<b>Q1 2017</b>	<b>2016</b>	<b>2015</b>	<b>Q1 2017</b>	<b>2016</b>	<b>2015</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>
Trade receivables	5,533,801	7,683,784	9,416,359	3,119,543	3,712,705	3,571,948
Less: provision for impairment of trade receivables	(451,315)	(1,488,334)	(1,165,550)	(313,272)	(917,073)	(776,626)
Net trade receivables	5,082,486	6,195,450	8,250,809	2,806,271	2,795,632	2,795,322
Receivables from subsidiary companies	-	-	-	-	1,381,316	3,999,808
Receivables from related party companies	3,718,600	3,996,759	5,414,239	3,287,600	2,360,759	2,565,709
Export Grant	1,960,609	1,960,609	1,960,609	1,915,572	1,915,572	1,915,572
Prepayments	447,489	125,913	189,014	424,443	117,258	117,258
Other receivables	3,755,783	3,308,618	2,100,654	3,038,543	2,787,645	1,692,258
<b>Total</b>	<b>14,964,967</b>	<b>15,587,349</b>	<b>17,915,325</b>	<b>11,472,429</b>	<b>11,358,182</b>	<b>13,085,927</b>
Export grants are accrued for at the rate of 20% of the invoiced value. The weighted eligibility criteria has 3 bands: 20%, 15% and 10%. 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.						



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**7. Trade and other receivables continued**

	The Group			The Company		
	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000
Movements in the provision for impairment of trade receivables are as follows:						
At 1 June	(1,199,036)	(1,179,589)	(1,115,533)	(788,167)	(700,768)	(613,369)
Provision for receivables impairment	747,721	(19,447)	(64,056)	474,895	(87,399)	(87,399)
Receivables written off during the year	-	-	-	-	-	-
<b>Closing</b>	<b>(451,315)</b>	<b>(1,199,036)</b>	<b>(1,179,589)</b>	<b>(313,272)</b>	<b>(788,167)</b>	<b>(700,768)</b>

All trade receivables are denominated in Nigerian Naira.

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

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

The group operates in twenty-six depots across the federation with about three hundred major distributors. The following table shows the age of trade receivables at the statement of financial position date for which no allowance for impairment of trade re

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 trans

**8. Deposits for letters of credit(LCs)**

	The Group			The Company		
	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000
	320,998	191,791	916,639	199,243	191,791	439,431

**9. Cash and cash equivalents**

	The Group			The Company		
	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000
Cash at bank and in hand	17,485,064	12,867,654	2,328,472	8,632,600	4,524,881	1,573,626
Bank Overdrafts	-	-	-	-	-	-
<b>Cash and cash equivalents</b>	<b>17,485,064</b>	<b>12,867,654</b>	<b>2,328,472</b>	<b>8,632,600</b>	<b>4,524,881</b>	<b>1,573,626</b>

**10. Fair values of financial assets and financial liabilities**

	The Group			The Company		
	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000
Set out below is a comparison by category of the carrying values and fair values of all the group's financial assets and financial liabilities as at 30 August 2014. None of the financial assets and liabilities have been reclassified during the year.						
	Carrying amount and fair value	Carrying amount and fair value	Carrying amount and fair value	Carrying amount and fair value	Carrying amount and fair value	Carrying amount and fair value
<b>Loans and receivables</b>						
Cash and short-term deposits (note 8)	17,485,064	12,867,654	2,328,472	8,632,600	4,524,881	1,573,626
Trade and other receivables less prepayments (note 7)	14,517,478	15,461,436	17,726,311	11,047,986	11,240,924	12,968,669
<b>Financial liabilities at amortised cost:</b>						

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12 Trade and other payables

	Group			Company		
	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q1 2016/17 N'000	2015/16 N'000	2014/15 N'000
Trade payables	1,548,057	2,127,142	1,315,787	1,536,877	2,068,729	1,175,743
Other taxation and social security	-	157,938	218,723	-	141,674	83,018
Unclaimed Dividend	1,956,555	1,956,555	1,518,734	1,956,555	1,956,555	1,518,734
Accruals	4,937,058	3,768,061	3,966,832	3,256,663	2,478,029	3,157,216
Amounts owed to subsidiaries (Note 24)	-	-	-	718,038	-	3,876,984
Amounts owed to related parties (Note 24)	24,969,789	17,392,753	9,542,080	15,430,976	10,984,038	6,159,333
Other payables	520,815	313,788	1,272,380	286,442	405,938	1,158,473
<b>Total</b>	<b>33,932,274</b>	<b>25,716,237</b>	<b>17,834,536</b>	<b>23,185,551</b>	<b>18,034,963</b>	<b>17,129,501</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.

**PZ Cussons Nigeria Plc**  
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**13. Taxation continued**

	The Group		The Company	
	Q1, 2016/17 N'000	2015/16 N'000	Q1, 2016/17 N'000	2015/16 N'000
<b>Current tax payable</b>				
At 1 June 2015	1,289,711	1,671,311	325,663	634,386
Charge for the year	652,905	1,228,091	29,124	203,570
Current tax balance inherited from PZ Tower & PZ Power				80,393
Payment during the year	(29,684)	(1,609,691)	(17,342)	(592,686)
<b>Closing Balance</b>	<b>1,912,932</b>	<b>1,289,711</b>	<b>337,445</b>	<b>325,663</b>

**14. Deferred taxation**

The Group			
	plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2015	3,772,841	130,748	3,903,589
Charge to income statement	(1,022,065)	812,481	(209,584)
<b>At 31 May 2016</b>	<b>2,750,776</b>	<b>943,229</b>	<b>3,694,005</b>
Charge to income statement	(1,498,286)		(1,498,286)
<b>At 31 August 2016</b>	<b>1,252,490</b>	<b>943,229</b>	<b>2,195,719</b>

  

The Company			
	Property plant and N'000	Provisions N'000	Total N'000
At 1 June 2015	3,260,283	497,562	3,757,845
DT acquired from merger with PZT & PZP	167,029		167,029
Charge to income statement	360,048	(176,737)	183,311
<b>At 31 May 2016</b>	<b>3,787,360</b>	<b>320,825</b>	<b>4,108,185</b>
Charge to income	(714,257)		(714,257)
<b>At 31 August 2016</b>	<b>-</b>	<b>3,073,103</b>	<b>320,825</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	-	-
Deferred tax liabilities	3,694,005	320,825
	<b>3,694,005</b>	<b>320,825</b>

**Group and company**

1. 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.

2. The company opted for 'Deemed Cost' for the value of PPE on conversion to IFRS. The consequence is that the revaluation reserves N7.5b is no longer needed and is now reclassified into retained earnings. The associated deferred tax was also adjusted and the net impact of this is N1.13b increase on Deferred tax.

**15. Provisions**

	The Group	
	2017 N'000	2016 N'000
<b>Warranty provisions</b>		
At 1 June 2016	327,251	306,034
Charged to the income statement	22,047	89,707
Utilised in the year	(22,881)	(68,490)
<b>At 31 August 2016</b>	<b>326,417</b>	<b>327,251</b>
The ageing of the provisions are as follows:	326,417	327,251
Within 12 months	22,047	89,707
Greater than 12 months	304,370	237,544
<b>Total</b>	<b>326,417</b>	<b>327,251</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.

**PZ Cussons Nigeria Plc**  
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**16. Ordinary share capital**

Group and company	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>

**18. Operating lease commitments**

At the statement of financial position date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases over certain of its office properties, which fall due as follows:

Within one year
In the second to fifth years inclusive
Over five years

**19. Related party transactions**

**Group and company**

The group and company are controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.03% of the group and company's shares. The remaining 26.97% of the shares are widely held.

All trading balances will be settled in cash. There were no provisions for doubtful related party receivables at 31 August 2016 and no charges to the income statement in respect of doubtful related party receivables.

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

**The Company**

The company is controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.03% of the group and company's shares. The remaining 26.97% of the shares are widely held.

All trading balances will be settled in cash. There were no provisions for doubtful related party receivables at 31 August 2016 and no charges to the income statement in respect of doubtful related party receivables.

**PZ Cussons Nigeria Plc**  
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**Quarter ended 31 August 2016**

**19 Cash generated from operating activities**

	<b>Group</b>		<b>Company</b>	
	<b>Q1 2016/17</b>	<b>2015/16</b>	<b>Q1 2016/17</b>	<b>2015/16</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	(2,431,123)	3,148,196	(1,673,590)	776,880
<b>Adjustment to reconcile net income to cash provided:</b>				
Depreciation	4	540,983	2,155,126	502,127
Intercompany transfer of fixed assets	4	-	-	1,611,790
(Profit)/loss on disposal of fixed assets		(9,141)	(24,625)	(5,717)
NBV of PPE transferred from related parties				(23,994)
NBV of PPE written off			9,516	(4,561,962)
Excess of net assets acquired over purchase consideration				9,281
Deferred tax balance inherited on merger				9,216,524
Current tax balance inherited on merger				167,029
Unclaimed dividend forfeited		-	22,828	80,443
Interest expense		94,810	597,667	-
Interest income		(95,777)	(210,256)	22,828
				853,304
				(8,417)
	(1,900,248)	5,698,452	(1,034,157)	8,143,706
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in trade and other receivables	622,383	2,324,975	(114,247)	1,727,745
Decrease/(increase) in deposit for letters of credit	(129,207)	724,848	(7,452)	247,640
Decrease/(increase) in inventories	(1,323,705)	1,734,176	773,713	(1,100,520)
Increase/(decrease) in trade, other payables and provisions	7,888,785	7,902,918	5,151,040	905,462
<b>Cash flows from operating activities</b>	<b>5,158,008</b>	<b>18,385,369</b>	<b>4,768,897</b>	<b>9,924,033</b>