

**PZ CUSSONS NIGERIA PLC**

**Q2 UNAUDITED FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED 30 NOVEMBER 2016**

GROUP							
UNAUDITED FINANCIAL RESULTS FOR HALF YEAR ENDED 30TH NOV							
	Q1 Ended 31 Aug 2016	Q2 Ended 30 NOV 2016	Half Year Ended 30 NOV 2016	Q1 Ended 31 Aug 2015	Q2 Ended 30 NOV 2015	Half Year Ended 30 NOV 2015	% Increase/ (Decrease)
	N'000	N'000	N'000	N'000	N'000	N'000	
Turnover	16,752,793	16,549,364	33,302,157	14,953,066	15,666,775	30,619,841	8.76
Operating Profit	2,210,379	2,135,864	4,346,243	624,361	697,884	1,322,245	228.70
Profit Before Tax	(2,431,123)	2,005,946	(425,177)	546,792	605,797	1,152,589	(136.89)
Taxation	845,381	(709,154)	136,227	(118,941)	(254,196)	(373,137)	(136.51)
Profit for the period	(1,585,742)	1,296,792	(288,950)	427,851	351,601	779,452	(137.07)
<b>Attributable to:</b>							
Owners of the company	(1,436,361)	1,078,200	(358,161)	377,165	299,728	676,893	(152.91)
Non-controlling interests	(149,381)	218,592	69,211	50,686	51,873	102,559	(32.52)
	(1,585,742)	(1,585,742)	(288,950)	427,851	351,601	779,452	(137.07)
Earnings per share (Kobo)	(40)	33	(7)	11	9	20	
<b>Comment</b>	Our first half result was impacted by adverse movement in foreign exchange rate amounting to a loss of N4.9 Billion in 2017 against a loss of N1.4 Million same period prior year						
<b>Financial Ratios</b>	Half Year Ended 30 NOV 2016	Half Year Ended 30 NOV 2015	Q2 2015				
Gross Margin	34%	27%	27%				
Operating margin	13%	4%	5%				
Net Profit margin	-0.9%	3%	4%				
Current Ratio	1.4	1.8	2.2				
Quick Ratio (Acid test)	0.8	1.1	1.1				
NWC (N'000)	17,053.7	20,829.6	22,607.1				
Accounts Receivable Turnover	4.4	3.6	3.6				
Debtors Days	41.1	51.0	50.2				
Inventory Turnover	1.0	1.1	1.1				
Stock Days	180.6	164.9	171.7				
EPS (N)	(0.07)	0.20	0.36				

**2nd QTR ENDED  
30 NOV 2016  
N'000**

**2nd QTR ENDED  
30 NOV 2015  
N'000**

**Financial Performance**

Net Profit/loss	(288,950)	966,276
Networking capital	17,053,716	20,829,595
Capital Employed	87,901,072	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	29,727,286	32,037,137
Shareholders Fund	41,162,330	43,402,970



PZ Cussons Nigeria PLC


Unaudited consolidated statement of profit or loss and other comprehensive income for the Quarter ended 30 November 2016

	The Group			The Company		
	Q2, 2016/17	Q2, 2015/16	%	Q2, 2016/17	Q2, 2015/16	%
	Total N'000	Total N'000	%Change	Total N'000	Total N'000	Change
<b>Continuing operations</b>						
Revenue	33,302,157	30,619,841	8.8	33,302,157	30,619,841	0.1
Cost of sales	(21,834,423)	(22,297,659)	(2.1)	(26,001,098)	(24,888,275)	0.0
<b>Gross profit</b>	<b>11,467,734</b>	<b>8,322,182</b>	<b>37.8</b>	<b>7,301,059</b>	<b>5,751,566</b>	<b>0.3</b>
Selling and distribution costs	(4,412,880)	(4,310,984)	2.4	(3,107,320)	(3,177,393)	(0.0)
Administrative expenses	(2,708,611)	(2,688,953)	0.7	(2,373,637)	(2,408,900)	(0.0)
<b>Operating profit</b>	<b>4,346,243</b>	<b>1,322,245</b>	<b>228.7</b>	<b>1,820,102</b>	<b>165,273</b>	<b>10.0</b>
Other income	108,357	134,826	(19.6)	176,039	200,702	(0.1)
Foreign exchange gain/(loss)	(4,938,235)	(1,375)	359,044.4	(2,440,422)	12,002	(204.3)
Interest income	259,399	76,833	237.6	48,446	6,823	6.1
Interest cost	(200,941)	(379,940)	(47.1)	(370,354)	(494,243)	(0.3)
Net finance cost	58,458	(303,107)	(119.3)	(321,908)	(487,420)	(0.3)
<b>Profit before taxation</b>	<b>(425,177)</b>	<b>1,152,589</b>	<b>(136.9)</b>	<b>(766,189)</b>	<b>(109,443)</b>	<b>6.0</b>
Taxation	136,227	(373,137)	(136.5)	953,342	(19,898)	(48.9)
<b>Profit after taxation</b>	<b>(288,950)</b>	<b>779,452</b>	<b>(137.1)</b>	<b>187,153</b>	<b>(129,341)</b>	<b>(2.4)</b>
Attributable to:						
Equity holders of the parent	(358,161)	676,893	(152.9)	187,153	(129,341)	(2.4)
Non controlling interest	69,211	102,559	(32.5)	5	(3)	
Basic EPS (kobo)	(7)	20		5	(3)	
Diluted EPS (kobo)	(7)	20		5	(3)	

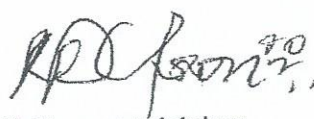
The results shown above for 2017/16 in comparison to 2016/15 relate to continuing operations

**PZ Cussons Nigeria Plc**  
**Unaudited consolidated statement of financial position**  
**as at 30 Nov 2016**

	Notes	The Group		The Company	
		Q2 2016/17	2015/16	Q2 2016/17	2015/16
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	26,854,677	26,504,924	25,749,553	25,339,722
Investments in subsidiaries	5	-	-	504,406	504,406
		26,854,677	26,504,924	26,253,959	25,844,128
<b>Current assets</b>					
Inventories	6	23,935,961	19,278,455	16,125,416	14,342,118
Trade and other receivables	7	22,055,543	15,587,350	18,864,010	11,358,182
Deposits for letter of credit	8	-	191,791	-	191,791
Cash and cash equivalents	9	15,054,891	12,867,654	8,840,113	4,524,861
		61,046,395	47,925,250	43,829,539	30,416,972
<b>Total assets</b>		<b>87,901,072</b>	<b>74,430,174</b>	<b>70,083,498</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		29,727,286	32,037,137	23,164,240	24,928,782
Equity attributable to equity holders of the company		38,590,793	40,900,644	32,027,747	33,792,289
Non controlling interest		2,571,537	2,502,326	-	-
<b>Total equity</b>		<b>41,162,330</b>	<b>43,402,970</b>	<b>32,027,747</b>	<b>33,792,289</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred taxation	14	2,498,931	3,694,005	3,085,252	4,108,185
Provisions	15	247,132	237,544	-	-
		2,746,063	3,931,549	3,085,252	4,108,185
<b>Current liabilities</b>					
Trade and other payables	12	41,538,120	25,716,237	34,592,586	18,034,963
Current taxation payable	13	2,318,877	1,289,711	377,914	325,663
Provisions	15	135,582	89,707	-	-
		43,992,679	27,095,655	34,970,500	18,360,626
<b>Total liabilities</b>		<b>46,736,742</b>	<b>31,027,204</b>	<b>38,055,752</b>	<b>22,468,811</b>
<b>Net equity and liabilities</b>		<b>87,901,072</b>	<b>74,430,174</b>	<b>70,083,498</b>	<b>56,261,100</b>



Mr Christos Giannopoulos  
 Chief Executive Officer  
 FRC/2013/ODN/00000004206



Mr Oluwasegun Agbekeye  
 Head of Finance  
 FRC/2013/CAN/00000004098



PZ Cussons Nigeria Plc  
Unaudited consolidated statement of changes in equity  
as at 30 Nov 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	2,238,650	-	43,672,444
Profit for the year	-	-	1,863,013	266,676	-	2,129,689
Deferred tax on revalued assets transferred to reserves	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	1,863,013	266,676	-	2,129,689
Transactions with owners:						
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>	-	-	(2,399,163)	-	-	2,399,163
<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>
At 1 June 2015	1,985,238	6,878,269	32,037,137	2,502,326	-	43,402,970
Profit for the period	-	-	(358,161)	69,211	-	(288,950)
<b>Total comprehensive income for the period</b>	-	-	(358,161)	69,211	-	(288,950)
Transactions with owners:						
Dividend paid relating to year ended 31 May 2016			(1,985,238)			(1,985,238)
Unclaimed dividend forfeited			33,548			33,548
<b>Total transaction with owners</b>	-	-	(1,951,690)	-	-	1,951,690
<b>At 30 Nov 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>29,727,286</b>	<b>2,571,537</b>	-	<b>41,162,330</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 30 Nov 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	-	-	26,584,929
Profit for the year	-	-	389,999	-	-	389,999
<b>Total comprehensive income for the year</b>	-	-	389,999	-	-	389,999
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 2016			(2,421,991)			(2,421,991)
Unclaimed dividend forfeited			22,828			22,828
<b>Total transaction with owners</b>	-	-	6,817,361	-	-	6,817,361
<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>
At 1 June 2016	1,985,238	6,878,269	24,928,782	-	-	33,792,289
Loss for the year	-	-	187,153	-	-	187,153
<b>Total comprehensive income for the year</b>	-	-	187,153	-	-	187,153
Transactions with owners:						
Dividend paid relating to year ended 31 May 2016			(1,985,238)			(1,985,238)
Unclaimed dividend forfeited			33,543			33,543
<b>Total transaction with owners</b>	-	-	(1,951,695)	-	-	(1,951,695)
<b>At 3 Sept 2016</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>23,164,240</b>	-	-	<b>32,027,747</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 30 Nov 2016**

	The Group		The Company	
	Q2 2016/17 N'000	2015/16 N'000	Q2 2016/17 N'000	2015/16 N'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	5,588,033	18,385,369	8,068,471	9,924,033
Taxation	(29,684)	(1,609,691)	(17,342)	(592,686)
<b>Net cash flow generated from operating activities</b>	<b>5,558,349</b>	<b>16,775,678</b>	<b>8,051,129</b>	<b>9,331,347</b>
<b>Cash flows from investing activities</b>				
Interest received	259,399	210,256	48,446	8,417
Purchase of property, plant and equipment	(1,482,925)	(3,453,991)	(1,466,731)	(3,159,691)
changes in investment w.r.t subsidiaries				22,000
Proceeds from sale of property, plant and equipment	5,045	26,897	4,432	24,477
<b>Net cash used in investing activities</b>	<b>(1,218,481)</b>	<b>(3,216,838)</b>	<b>(1,413,853)</b>	<b>(3,104,797)</b>
<b>Cash flows from financing activities</b>				
Interest Expense	(200,941)	(597,667)	(370,354)	(853,304)
Dividends paid to Company shareholders	(1,951,690)	(2,421,991)	(1,951,690)	(2,421,991)
Dividends paid to Non controlling interests	-	-	-	-
<b>Net cash flow used in financing activities</b>	<b>(2,152,631)</b>	<b>(3,019,658)</b>	<b>(2,322,044)</b>	<b>(3,275,295)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>2,187,237</b>	<b>10,539,182</b>	<b>4,315,232</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>15,054,891</b>	<b>12,867,654</b>	<b>8,840,113</b>	<b>4,524,881</b>



PZ Cussons Nigeria Plc							
Notes to the consolidated financial statements							
4. Property, plant and equipment							
The Group							
2nd Qtr, 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	-	-	-	-	-	1,482,925	1,482,925
Reclassifications	-	170,718	650,517	201,196	-	(1,022,431)	-
Write Off	-	-	-	-	-	-	-
Disposals	-	-	-	-	(52,456)	-	(52,456)
At 30 Nov 2016	29,048	17,841,842	19,351,936	2,243,798	569,007	2,804,582	42,840,213
Depreciation							
At 1 June 2016	6,971	2,796,978	9,938,094	1,561,084	601,692	-	14,904,819
Charge for the year	290	162,858	844,539	119,334	6,151	-	1,133,172
Impairment charge	-	-	-	-	-	-	-
On Write off	-	-	-	-	-	-	-
On Disposals	-	-	-	-	(52,455)	-	(52,455)
At 30 Nov 2016	7,261	2,959,836	10,782,633	1,680,418	555,388	-	15,985,536
Net book values							
At 30 Nov 2016	21,787	14,882,006	8,569,303	563,380	13,619	2,804,582	26,854,677
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	716,480	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
Depreciation							
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
Impairment charge	-	-	-	-	-	-	-
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
Net book values							
At 31 May 2016	22,076	14,874,146	8,763,322	461,517	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	25,217,647
The Company							
2nd Qtr, 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	-	-	-	-	-	1,488,731	1,488,731
Reclassifications	-	84,011	650,517	201,196	-	(935,724)	-
Intercoy transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(49,149)	-	(49,149)
At 30 Nov 2016	29,048	17,377,664	18,310,824	2,037,091	485,560	2,770,263	41,010,450
Depreciation							
At 1 June 2016	6,971	2,782,050	9,532,890	1,400,517	530,717	-	14,253,145
Charge for the year	290	158,505	796,422	100,461	1,222	-	1,056,900
Intercoy transfers	-	-	-	-	-	-	-
On disposals	-	-	-	-	(49,148)	-	(49,148)
At 30 Nov 2016	7,261	2,940,555	10,329,312	1,500,978	482,791	-	15,260,897
Net book values							
At 30 Nov 2016	21,787	14,437,109	7,981,512	536,113	2,769	2,770,263	25,749,553
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
Depreciation							
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	1,172,964	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)	(11,809)	(61,873)	-	(200,726)
At 31 May 2016	6,972	2,782,050	9,532,890	1,400,517	530,717	-	14,253,146
Net book values							
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	19,239,873



PZ Cossons Nigeria Plc						
Notes to the consolidated financial statements						
5. Investments in subsidiaries	The Company					
	Q2 2017	2016	2015			
	N'000	N'000	N'000			
The Company						
At 30 Nov 2016	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						
		N'000	ownership %			
HPZ Limited		504,406	74.99			
Roberts Pharmaceuticals Limited						
PZ Power Company Limited						
PZ Tower Limited		504,406				
<b>Total</b>		<b>504,406</b>				
6. Inventories	The Group			The Company		
	Q2 2017	2016	2015	Q2 2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
Raw materials and consumables	12,924,212	10,958,734	12,236,662	9,058,847	9,192,746	8,053,017
Work in progress	8,145,434	6,095,554	7,148,479	4,421,536	3,111,617	3,828,686
Finished goods and goods for resale	2,866,315	2,224,167	1,627,490	2,645,033	2,037,755	1,359,895
Engineering spares and other stocks	-	-	-	-	-	-
<b>Total</b>	<b>23,935,961</b>	<b>19,278,455</b>	<b>21,012,631</b>	<b>16,125,416</b>	<b>14,342,118</b>	<b>13,241,598</b>
7. Trade and other receivables	Group			Company		
	Q2 2017	2016	2015	Q2 2017	2016	2015
	N'000	N'000	N'000	N'000	N'000	N'000
Receivables due within one year:						
Trade receivables	7,299,847	7,683,784	9,416,359	3,472,103	3,712,705	3,571,948
Less: provision for impairment of trade receivables	(476,715)	(1,488,334)	(1,165,550)	(325,623)	(917,073)	(776,626)
Net trade receivables	6,823,132	6,195,450	8,250,809	3,146,480	2,795,632	2,795,322
Receivables from subsidiary companies	-	-	-	4,888,704	1,381,316	3,999,808
Receivables from related party companies	9,165,512	3,996,759	5,414,239	5,064,512	2,360,769	2,565,709
Export Grant & NDCC	1,960,609	1,960,609	1,960,609	1,915,572	1,915,572	1,915,572
Prepayments	296,542	125,913	189,014	274,773	117,258	117,258
Other receivables	3,809,748	3,308,618	2,100,654	3,573,969	2,787,645	1,692,258
<b>Total</b>	<b>22,055,543</b>	<b>15,587,349</b>	<b>17,915,325</b>	<b>18,864,010</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.						

**PZ Cussons Nigeria Plc**  
**Notes to the consolidated financial statements**

**7. Trade and other receivables continued**

	The Group			The Company		
	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q2 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	722,321	(19,447)	(64,056)	462,544	(87,399)	(87,399)
Receivables written off during the year	-	-	-	-	-	-
<b>Closing</b>	<b>(476,715)</b>	<b>(1,199,036)</b>	<b>(1,179,589)</b>	<b>(325,623)</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		
	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000
	-	191,791	916,639	-	191,791	439,431

**9. Cash and cash equivalents**

	The Group			The Company		
	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000
Cash at bank and in hand	15,054,891	12,867,654	2,328,472	8,840,113	4,524,881	1,573,626
Bank Overdrafts	-	-	-	-	-	-
<b>Cash and cash equivalents</b>	<b>15,054,891</b>	<b>12,867,654</b>	<b>2,328,472</b>	<b>8,840,113</b>	<b>4,524,881</b>	<b>1,573,626</b>

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

	The Group			The Company		
	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q2 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>	15,054,891	12,867,654	2,328,472	8,840,113	4,524,881	1,573,626
Cash and short-term deposits (note 8)						
Trade and other receivables less prepayments (note 7)	21,759,001	15,461,436	17,726,311	18,589,237	11,240,924	12,968,669

**Financial liabilities at amortised cost:**

**PZ Cussons Nigeria Plc**  
**Notes to the consolidated financial statements**

**12 Trade and other payables**

	Group				Company			
	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000	Q2 2016/17 N'000	2015/16 N'000	2014/15 N'000		
Trade payables	3,527,338	2,127,142	1,315,787	2,859,929	2,068,729	1,175,743		
Other taxation and social security	-	157,938	218,723	-	141,674	83,018		
Unclaimed Dividend	1,923,007	1,956,555	1,518,734	1,923,007	1,956,555	1,518,734		
Accruals	5,091,948	3,768,061	3,986,832	3,687,291	2,478,029	3,157,216		
Amounts owed to subsidiaries (Note 24)	-	-	-	4,672,006	-	3,876,984		
Amounts owed to related parties (Note 24)	29,435,028	17,392,753	9,542,080	19,904,101	10,984,038	6,159,333		
Other payables	1,943,614	313,788	1,272,380	1,546,252	405,938	1,158,473		
<b>Total</b>	<b>41,920,934</b>	<b>25,716,237</b>	<b>17,834,536</b>	<b>34,592,586</b>	<b>18,034,963</b>	<b>17,129,501</b>		
Average credit period taken for trade purchases	Days 90	Days 90	Days 90	Days 90	Days 90	Days 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**  
Notes to the consolidated financial statements

**13. Taxation continued**

Current tax payable	The Group		The Company	
	Q2, 2016/17 N'000	2015/16 N'000	Q2, 2016/17 N'000	2015/16 N'000
At 1 June 2015	1,289,711	1,671,311	325,663	634,386
Charge for the year	1,058,850	1,228,091	69,593	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>2,318,877</b>	<b>1,289,711</b>	<b>377,914</b>	<b>325,663</b>

**14. Deferred taxation**

The Group	plant and equipment N'000	Provisions N'000	Total N'000
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	(1,195,074)		(1,195,074)
<b>At 30 Nov 2016</b>	<b>1,555,702</b>	<b>943,229</b>	<b>2,498,931</b>

The Company	Property plant and N'000	Provisions N'000	Total N'000
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	(1,022,933)		(1,022,933)
<b>At 30 Nov 2016</b>	<b>2,764,427</b>	<b>320,825</b>	<b>3,085,252</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	3,694,005	320,825
Deferred tax liabilities	3,694,005	320,825

**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.
- 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**

Warranty provisions	The Group	
	2017 N'000	2016 N'000
At 1 June 2016	327,251	306,034
Charged to the income statement	135,682	89,707
Utilised in the year	(80,119)	(68,490)
<b>At 30 Nov 2016</b>	<b>382,814</b>	<b>327,251</b>

The ageing of the provisions are as follows:		
	382,814	327,251
Within 12 months	135,682	89,707
Greater than 12 months	247,132	237,544
<b>Total</b>	<b>382,814</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**  
**Notes to the consolidated financial statements**

**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 30 November 2016 and no charges to the income statement in respect of doubtful related party

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 30 November 2016 and no charges to the income statement in respect of doubtful related party

Dussons Nigeria Plc  
 as to the consolidated financial statements  
 for the period ended 30 Nov 2016

Cash generated from operating activities

	Group		Company	
	Q2 2016/17 N'000	2015/16 N'000	Q2 2016/17 N'000	2015/16 N'000
<b>Cash flows from operating activities</b>				
Profit before taxation	(425,177)	3,148,196	(766,189)	776,880
<b>Adjustment to reconcile net income to cash provided:</b>				
Depreciation	4	1,133,172	2,155,126	1,056,900
Intercompany transfer of fixed assets	4	-	-	-
(Profit)/loss on disposal of fixed assets		(5,044)	(24,625)	(4,886)
NBV of PPE transferred from related parties				(4,561,962)
NBV of PPE written off			9,516	9,281
Excess of net assets acquired over purchase consideration				9,216,524
Deferred tax balance inherited on merger				167,029
Current tax balance inherited on merger				80,443
Unclaimed dividend forfeited				22,828
Interest expense		200,941	597,667	370,354
Interest income		(259,399)	(210,256)	(48,446)
		644,493	5,698,452	607,733
				8,143,706
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in trade and other receivables		(6,468,193)	2,324,975	(7,505,828)
Decrease/(increase) in deposit for letters of credit		191,791	724,848	191,791
Decrease/(increase) in inventories		(4,657,506)	1,734,176	(1,783,298)
Increase/(decrease) in trade, other payables and provisions		15,877,448	7,902,918	16,558,074
		5,588,033	18,385,369	8,068,471
				9,924,033
<b>Cash flows from operating activities</b>				