

PZ CUSSONS NIGERIA PLC

Q4, 2020/21 UNAUDITED FINANCIAL STATEMENTS

(12 MONTHS ENDED, 31 MAY 2021)

PZ Cussons Nigeria Plc
Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

<u>Contents</u>	<u>Pages</u>
Corporate information	1
Results at a glance	2
Financial Ratios	3
Financial Highlights	4
Consolidated statement of comprehensive income	5
Consolidated statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the consolidated financial statements	9-21

PZ Cussons Nigeria Plc
Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

Corporate information

Board of Directors

Chief (Dr) Kolawole B. Jamodu, CFR	- Chairman, Non - Executive Director (Retired w.e.f 11 December, 2020)
Mr. Gbenga Oyebo	- Chairman, Non - Executive Director (Appointed w.e.f 11 December, 2020)
Mr. L. Batagarawa	- Non - Executive Director (Retired w.e.f 11 December, 2020)
Mr. P. Usoro, SAN	- Non - Executive Director
Mrs. E. Ebi	- Independent Non-Executive Director
Mallam D. Muhammad	- Independent Non-Executive Director (Resigned w.e.f 31 January 2021)
Mrs. Ifueko M. Omogui Okauru, MFR	- Independent Non-Executive Director (Appointed w.e.f 1 April 2021)
Mr. Panagiotis Katsis	- Managing Director / Chief Executive Officer
Ms. J. Coker	- Executive Director
Mr G. Sotiropoulos	- Executive Director (Retired w.e.f 31 May, 2021)
Mr. Zuber Momoniat	- Executive Director

Company Secretary / Legal Adviser

Mrs Jacqueline Ezeokwelum

Registered Office

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

Registration Number

RC 693

Registrars

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

Independent Auditors

Deloitte & Touche (Chartered Accountants)
Civic Towers,
Plot GA1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos, Nigeria

PZ Cussons Nigeria Plc
Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

Results at glance

GROUP					
	2020-21	2020-21	2019-20	2019-20	% Increase/ (Decrease)
	4th Qtr Ended 31 May 2021	12 mths Ended 31 May 2021	4th Qtr Ended 31 May 2020	12 mths Ended 31 May 2021	
	N'000	N'000	N'000	N'000	
Revenue	22,403,216	82,384,149	12,249,527	66,992,561	23.0
Operating Profit	3,042,390	6,970,330	(3,202,547)	(7,068,747)	198.6
Profit/(Loss) Before Tax	1,134,653	2,639,541	(3,979,261)	(7,984,735)	133.1
Taxation	(319,934)	(808,239)	256,968	745,176	-
Profit/(Loss) for the period	814,719	1,831,302	(3,722,293)	(7,239,559)	125.3
Attributable to:					
Owners of the company	796,127	1,744,477	(3,615,994)	(6,921,291)	125.2
Non-controlling interests	18,592	86,825	(106,299)	(318,268)	127.3
	814,719	1,831,302	(3,722,293)	(7,239,559)	125.3
Earnings per share (Kobo)	21	46	(94)	(182)	

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

FINANCIAL RATIOS	12 Months Ended 31 May 2021	12 Months Ended 31 May 2020
Gross Margin	28%	13%
Operating margin	8%	-11%
Net Profit margin	2.2%	-11%
Current Ratio	1.3	1.3
Quick Ratio (Acid test)	0.8	0.6
NWC	14,531.4	11,233.4
Accounts Receivable Turnover (Sales/Average AR)	12.6	7.5
Debtors Days	28.9	48.4
Inventory Turnover (CoGS/Ave Inventory)	2.3	2.1
Stock Days	156.2	171.5
EPS (N)	0.46	(1.82)

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

Financial Highlights	31 MAY 2021 N'000	31 MAY 2020 N'000
Net Profit/loss	1,831,302	(7,239,559)
Networking capital	14,531,392	11,233,411
Capital Employed	87,740,086	78,451,137
Authorised share capital	2,000,000	2,000,000
Issued & Fully paid:	1,985,238	1,985,238
Share capital	1,985,238	1,985,238
Share premium	6,878,269	6,878,269
Other reserves	24,270,594	22,923,165
Shareholders Fund	35,994,208	34,559,953

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)


**Consolidated and separate statement of profit or loss and other comprehensive income
for the Fourth Quarter ended 31 May 2021**


	The Group			The Company		
	2020/21 Total N'000	2019/20 Total N'000	% %Change	2020/21 Total N'000	2019/20 Total N'000	% Change
Continuing operations						
Revenue	82,384,149	66,992,561	23.0	47,639,168	38,939,223	22.3
Cost of sales	(59,088,866)	(58,370,711)	1.2	(35,053,226)	(34,404,445)	1.9
Gross profit	23,295,283	8,621,850	170.2	12,585,942	4,534,778	177.5
Selling and distribution costs	(9,478,911)	(10,213,698)	(7.2)	(6,526,622)	(6,398,454)	2.0
Administrative expenses	(6,846,042)	(5,476,899)	25.0	(5,093,253)	(4,661,517)	9.3
Operating profit	6,970,330	(7,068,747)	198.6	966,067	(6,525,193)	114.8
Other income(Note 18)	2,077,916	179,135	1,060.0	2,224,638	319,761	595.7
Foreign exchange gain/(loss)	(6,575,787)	(945,860)	595.2	(1,791,086)	(248,873)	619.7
Interest income	238,563	304,971	(21.8)	408,039	338,419	20.6
Interest cost	(71,481)	(454,234)	(84.3)	(12,329)	(276,515)	(95.5)
Net finance cost	167,083	(149,263)	211.9	395,710	61,904	539.2
Profit/(Loss) before taxation	2,639,541	(7,984,735)	133.1	1,795,329	(6,392,401)	128.1
Taxation	(808,239)	745,176		(311,190)	425,406	
Profit/(Loss) after taxation	1,831,302	(7,239,559)	125.3	1,484,139	(5,966,995)	124.9
Attributable to:						
Equity holders of the parent	1,744,477	(6,921,291)	125.2	1,484,139	(5,966,995)	124.9
Non controlling interest	86,825	(318,268)	127.3			
Basic EPS (kobo)	46	(182)		37	(150)	
Diluted EPS (kobo)	46	(182)		37	(150)	


Consolidated and separate statement of financial position as at 31 May 2021

	Note	The Group		The Company	
		Q4, 2020/21 N'000	2019/20 N'000	Q4, 2020/21 N'000	2019/20 N'000
Assets					
Non-current assets					
Property, plant and equipment	2a	24,670,097	26,190,242	23,126,483	24,628,863
Right-of-use assets	2b	132,271	275,042	98,832	209,724
Intangible Assets	2c	635,771	741,732	635,771	741,732
Investments in subsidiaries	3	-	-	504,406	504,406
Other long-term receivables	4	1,895,606	1,914,526	1,870,028	1,870,028
		27,333,745	29,121,542	26,235,520	27,954,753
Current assets					
Inventories	5	24,320,815	26,258,699	15,754,724	15,654,747
Trade and other receivables	6	12,779,869	10,065,571	8,832,586	6,136,175
Other assets	7	2,250,385	1,010,312	2,078,872	849,486
Deposits for imports	8	554,158	1,202,075	124,053	318,369
Cash and cash equivalents	9	20,501,114	10,792,938	12,670,429	8,573,322
		60,406,341	49,329,595	39,460,663	31,532,098
Total assets		87,740,086	78,451,137	65,696,183	59,486,850
Equity					
Ordinary share capital	10	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		24,270,594	22,923,165	16,120,396	15,033,304
Equity attributable to equity holders of the company		33,134,101	31,786,672	24,983,903	23,896,811
Non controlling interest		2,860,106	2,773,281	-	-
Total equity		35,994,208	34,559,953	24,983,903	23,896,811
Liabilities					
Non-current liabilities					
Deferred income	13	34,316	61,047	-	6,605
Lease liability	2b	57,636	119,847	43,301	91,887
Deferred taxation	15	5,497,160	5,368,688	6,657,926	6,852,605
Provisions	16	281,817	245,418	-	-
		5,870,929	5,795,000	6,701,227	6,951,097
Current liabilities					
Bank Overdrafts	8	-	-	-	-
Trade and other payables	12	44,835,328	37,200,556	33,446,819	28,037,464
Lease liability	2b	74,635	155,195	55,530	117,837
Deferred income	13	68,614	20,827	68,614	20,827
Current taxation payable	14	771,350	620,176	440,091	462,814
Provisions	16	125,023	99,430	-	-
		45,874,949	38,096,184	34,011,053	28,638,942
Total liabilities		51,745,878	43,891,184	40,712,280	35,590,039
Net equity and liabilities		87,740,086	78,451,137	65,696,183	59,486,850

The Fourth quarter(Q4, 2020/21) unaudited financial statements were approved and authorised for issue by the board of directors on 24 June 2021 and sign on its behalf by:


Mr. Panagiotis Katsis
Chief Executive officer
FRC/2020/003/00000021969


Mr. Zuber Momoni
Executive Director
FRC/2018/IODN/00000018772


Mr. Evans Eghosa Enabulele
Head, Financial Reporting & Accounting
FRC/2017/ICAN/00000017126

The notes on pages 9 to 17 are an integral part of these financial statements

PZ Cussons Nigeria Plc
Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

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	
At 1 June 2019	1,985,238	6,878,269	33,797,232	3,091,549	-	45,752,288
Adjustment on initial application of IFRIC 23			(3,517,328)			(3,517,328)
Adjusted balance at 1 June 2019	1,985,238	6,878,269	30,279,904	3,091,549	-	42,234,960
(Loss)/Profit for the year	-	-	(6,921,291)	(318,268)	-	(7,239,559)
Total comprehensive income for the year	-	-	(6,921,291)	(318,268)	-	(7,239,559)
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,124			160,124
Total transaction with owners	-	-	(435,448)	-	-	(435,448)
At 31 May 2020	1,985,238	6,878,269	22,923,165	2,773,281	-	34,559,954
At 1 June 2020	1,985,238	6,878,269	22,923,165	2,773,281	-	34,559,954
Profit for the period	-	-	1,744,477	86,825	-	1,831,302
Total comprehensive income for the period	-	-	1,744,477	86,825	-	1,831,302
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2020			(397,048)			(397,048)
Unclaimed dividend forfeited			-			-
Total transaction with owners	-	-	(397,048)	-	-	(397,048)
At 31 May 2021	1,985,238	6,878,269	24,270,594	2,860,106	-	35,994,208

PZ Cussons Nigeria Plc
Unaudited Statement of changes in equity
as at 31 May 2021

	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 2019	1,985,238	6,878,269	24,953,075	-	-	33,816,582
Adjustment on initial application of IFRIC 23			(3,517,328)			(3,517,328)
Adjusted balance at 1 June 2019	1,985,238	6,878,269	21,435,747	-	-	30,299,254
Loss for the year	-	-	(5,966,995)	-	-	(5,966,995)
Total comprehensive income for the year	-	-	(5,966,995)	-	-	(5,966,995)
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,124			160,124
Total transaction with owners	-	-	(435,448)	-	-	(435,448)
At 31 May 2020	1,985,238	6,878,269	15,033,305	-	-	23,896,812
At 1 June 2020	1,985,238	6,878,269	15,033,305	-	-	23,896,812
Profit for the year	-	-	1,484,139	-	-	1,484,139
Total comprehensive income for the year	-	-	1,484,139	-	-	1,484,139
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2020			(397,048)			(397,048)
Unclaimed dividend forfeited			-			-
Total transaction with owners	-	-	(397,048)	-	-	(397,048)
At 31 May 2021	1,985,238	6,878,269	16,120,396	-	-	24,983,903

PZ Cussons Nigeria Plc
Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

	The Group			The Company		
	Q4 2020/21 N'000	Q4 2019/20 N'000	Year End 2019/20 N'000	Q4 2020/21 N'000	Q4 2019/20 N'000	Year End 2019/20 N'000
Cash flows from operating activities						
Cash generated from operations	9,186,703	12,086,835	12,086,835	3,162,834	7,366,201	7,366,201
Taxation	(258,992)	(441)	(441)	(258,992)	(441)	(441)
Net cash flow generated from operating activities	8,927,711	12,086,394	12,086,394	2,903,841	7,365,760	7,365,760
Cash flows from investing activities						
Interest received	238,563	304,971	304,970	408,039	338,419	338,419
Loan receivables	-	(165,100)	(165,100)	-	1,415,576	1,415,576
Purchase of property, plant and equipment	(1,113,945)	(1,539,635)	(1,539,635)	(929,772)	(1,266,251)	(1,266,251)
Proceeds from sale of property, plant and equipment	2,124,375	1,500	1,500	2,124,375	1,500	1,500
Net cash used in investing activities	1,248,994	(1,398,264)	(1,398,265)	1,602,642	489,244	489,244
Cash flows from financing activities						
Interest Expense	(71,481)	(454,234)	(454,234)	(12,329)	(276,515)	(276,515)
Loan payables	-	(1,173,870)	(1,173,870)	-	(248,870)	(248,870)
Lease payment	-	(190,362)	(190,362)	-	(147,856)	(147,856)
Dividends paid to Company shareholders	(397,048)	(595,572)	(595,572)	(397,048)	(595,572)	(595,572)
Net cash flow used in financing activities	(468,529)	(2,414,038)	(2,414,038)	(409,377)	(1,268,813)	(1,268,813)
Net increase in cash, cash equivalents and bank overdrafts	9,708,175	8,274,091	8,274,091	4,097,107	6,586,191	6,586,191
Cash, cash equivalents and bank overdrafts at the beginning of the year	10,792,938	2,518,847	2,518,847	8,573,322	1,987,131	1,987,131
Cash, cash equivalents and bank overdrafts at the end of the year	20,501,114	10,792,938	10,792,938	12,670,429	8,573,322	8,573,322

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

Notes to the consolidated and separate financial statements

1 General information

The Group

PZ Cussons Nigeria Plc is a Company incorporated in Nigeria on 4 December 1948 under the name of P.B. Nicholas and Company Limited. The name was changed to Alagbon Industries Limited in 1953 and to Associated Industries Limited in 1960. The Company became a public Company in 1972 and was granted a listing on the Nigerian Stock Exchange. The name was changed to Paterson Zochonis Industries Limited on 24 November 1976 and in compliance with the Companies and Allied Matters Act, it changed its name to Paterson Zochonis Industries Plc on 22 November 1990. On 21 September, 2006, the Company adopted its present name of PZ Cussons Nigeria Plc.

The principal activities of the group are the manufacture, distribution and sale of a wide range of consumer products and home appliances through owned depots. These products are leading brand names throughout the country in detergent, soap, cosmetics, refrigerators, freezers and air-conditioners. The group also distributes products of Nutricima Limited, Harefield Industrial Nigeria Limited and PZ Wilmar Food Limited.

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.

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

Notes to the condensed interim financial statements

2a. Property, plant and equipment

The Group						
<u>Qtr 4, 2020/21</u>						
Cost	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
At 1 June 2020	19,694,904	25,281,119	3,560,997	564,560	2,051,989	51,153,568
Additions					1,113,945	1,113,945
Reclassifications	18,887	1,827,736	70,848	-	(1,917,471)	-
Disposals	(76,415)					(76,415)
At 31 May 2021	19,637,376	27,108,855	3,631,844	564,560	1,248,463	52,191,098
Depreciation						
At 1 June 2020	4,201,472	17,261,710	2,935,584	564,560	-	24,963,326
Charge for the year	343,088	1,905,983	333,866	-	-	2,582,937
On Disposals	(25,262)					(25,262)
At 31 May 2021	4,519,298	19,167,693	3,269,450	564,560	-	27,521,001
Net book values						
At 31 May 2021	15,118,078	7,941,162	362,395	-	1,248,463	24,670,097
<u>2019/20</u>						
Cost	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
At 1 June 2019	19,542,829	24,841,301	3,408,183	569,010	1,257,060	49,618,383
Additions					1,539,635	1,539,635
Transfers	152,075	439,818	152,814	-	(744,706)	-
Disposals	-	-	-	(4,450)	-	(4,450)
At 31 May 2020	19,694,904	25,281,119	3,560,997	564,560	2,051,989	51,153,568
Depreciation						
At 1 June 2019	3,840,414	15,341,101	2,526,997	569,010	-	22,277,522
Charge for the year	361,058	1,920,609	408,587	-	-	2,690,254
On Disposals		-	-	(4,450)		(4,450)
At 31 May 2020	4,201,472	17,261,710	2,935,584	564,560	-	24,963,326
Net book values						
At 31 May 2020	15,493,432	8,019,409	625,413	-	2,051,989	26,190,243
At 31 May 2019	15,702,415	9,500,200	881,186	-	1,257,060	27,340,861

PZ Cussons Nigeria Plc

Q4, 2020/21 unaudited financial statement(12 months ended 31 May 2021)

The Company						
Otr 4, 2020/21						
Cost	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
At 1 June 2020	19,025,340	23,629,427	3,294,321	481,111	1,831,091	48,261,290
Additions					929,772	929,772
Reclassifications	18,807	1,723,517	48,240	-	(1,790,563)	-
Disposals	(76,415)					(76,415)
At 31 May 2021	18,967,732	25,352,944	3,342,561	481,111	970,300	49,114,647
Depreciation						
At 1 June 2020	4,147,177	16,302,519	2,701,620	481,111	-	23,632,427
Charge for the year	325,078	1,740,737	315,184	-		2,380,999
Intercoy transfers						-
On disposals	(25,262)					(25,262)
At 31 May 2021	4,446,993	18,043,256	3,016,804	481,111	-	25,988,164
Net book values						
At 31 May 2021	14,520,739	7,309,687	325,757	-	970,300	23,126,483
2019/20						
Cost	Leasehold land and buildings	Plant and Machinery	fittings and IT equipment	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2019	19,025,340	23,181,966	3,150,283	485,561	1,156,339	46,999,489
Additions	-	-	-	-	1,266,251	1,266,251
Reclassification		447,461	144,038		(591,499)	-
Disposals				(4,450)		(4,450)
At 31 May 2020	19,025,340	23,629,427	3,294,321	481,111	1,831,091	48,261,290
Depreciation						
At 1 June 2019	3,796,490	14,548,629	2,309,848	485,561	-	21,140,528
Charge for the year	350,687	1,753,890	391,772			2,496,349
On disposals				(4,450)		(4,450)
At 31 May 2020	4,147,177	16,302,519	2,701,620	481,111	-	23,632,427
Net book values						
At 31 May 2020	14,878,163	7,326,908	592,701	-	1,831,091	24,628,863
At 31 May 2019	15,228,850	8,633,337	840,435	-	1,156,339	25,858,961

Notes to the financial statements

2b. Right-of-use asset

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Cost						
Opening Balance	465,404	322,485	-	357,580	254,680	-
Additions	-	142,919	-	-	102,900	-
Opening Balance	465,404	465,404	-	357,580	357,580	-
Accumulated Amortizations						
Opening Balance	190,362	-	-	147,856	-	-
Charge for the year	142,772	190,362	-	110,892	147,856	-
Closing charge	333,134	190,362	-	258,749	147,856	-
Carrying amount						
	132,271	275,042	-	98,832	209,724	-
Lease liability						
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Opening balance	275,042	322,485	-	209,724	254,680	-
Additions	-	142,919	-	-	102,900	-
Payments	(142,772)	(190,362)	-	(110,892)	(147,856)	-
Closing charge	132,271	275,042	-	98,832	209,724	-
Non Current	57,636	119,847	-	43,301	91,887	-
Current	74,635	155,195	-	55,530	117,837	-
Total	132,271	275,042	-	98,832	209,724	-

The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and lease liabilities. The Group has chosen to use the table above to set out to show the implementation of IFRS 16.

2c. Intangible asset

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Cost						
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	317,886	211,924	105,962	317,886	211,924	105,962
Charge for the year	105,962	105,962	105,962	105,962	105,962	105,962
Closing charge	423,847	317,886	211,924	423,847	317,886	211,924
Carrying amount						
	635,771	741,733	847,694	635,771	741,733	847,694

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.

3. Investments in subsidiaries

The Company	The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 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. Other long term receivables

Non-current other receivables of N1.91 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.

	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Advances to HPZ Distributors	-	-	-	-	-	-
Prepayments over 1 year	-	-	29,861	-	-	29,861
Export rebates receivables & Export credit certificates	1,895,606	1,914,526	1,960,609	1,870,028	1,870,028	1,915,572
Total	1,895,606	1,914,526	1,990,470	1,870,028	1,870,028	1,945,433

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.

5. Inventories

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Raw materials and consumables	9,726,867	8,629,003	9,085,772	7,726,237	6,249,569	9,027,018
Finished goods and goods for resale	7,092,576	7,811,192	11,361,457	4,363,561	5,151,788	6,097,145
Engineering spares and other stocks	2,436,760	2,785,674	2,918,618	2,267,893	2,536,303	2,766,878
Goods in transit	5,064,613	7,032,830	5,233,209	1,377,034	1,717,087	1,277,595
Total	24,320,815	26,258,699	28,599,056	15,754,724	15,654,747	19,168,436

6a. Trade and other receivables

	Group			Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Receivables due within one year:						
Trade receivables	6,155,767	6,908,872	10,845,936	2,519,687	3,099,446	5,654,404
Less: provision for impairment of trade receivables	(507,614)	(1,370,296)	(1,233,054)	(426,254)	(1,109,437)	(871,275)
Net trade receivables	5,648,153	5,538,576	9,612,882	2,093,433	1,990,009	4,783,129
Receivables from subsidiary companies	-	-	-	-	-	1,584,419
Receivables from related party companies	5,954,531	2,940,331	3,989,569	5,954,531	2,940,331	3,989,569
WHT credit note receivable	691,463	456,773	552,108	477,227	262,341	439,074
Other receivables	485,722	1,129,891	1,011,227	307,396	943,494	696,885
Total	12,779,869	10,065,571	15,165,786	8,832,586	6,136,175	11,493,076

Notes to the financial statements

6c. Trade and other receivables continued

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Movements in the provision for impairment of trade receivables are as follows:						
Opening	(1,370,296)	(1,233,054)	(1,126,844)	(1,109,437)	(871,275)	(772,301)
Provision for receivables impairment	862,682	(137,242)	(106,210)	683,183	(238,162)	(98,974)
Receivables written off during the year	-	-	-	-	-	-
Closing	(507,614)	(1,370,296)	(1,233,054)	(426,254)	(1,109,437)	(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.

7. Other current assets

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Prepayments	817,069	19,833	123,663	731,564	19,833	123,663
Advance to Distributors & Suppliers	1,433,317	990,479	1,146,340	1,347,308	829,653	796,340
	2,250,385	1,010,312	1,270,003	2,078,872	849,486	920,003

8. Deposits for imports

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Deliverable Forwards	-	668,100	-	-	266,045	-
Deposits for Letters of credits	554,158	533,975	2,204,023	124,053	52,324	1,590,536
	554,158	1,202,075	2,204,023	124,053	318,369	1,590,536

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.

9. Cash and cash equivalents

	The Group			The Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Cash at bank and in hand	20,501,114	10,792,938	2,518,847	12,670,429	8,573,322	1,987,131
Bank Overdrafts	-	-	-	-	-	-
Cash and cash equivalents	20,501,114	10,792,938	2,518,847	12,670,429	8,573,322	1,987,131

There are no short-term borrowing as at 31 May 2021. There were no assets pledged as security for borrowing.

Notes to the financial statements

10. Ordinary share capital

Group and company	Q4, 2020/21	
	Number in thousands	Amount N'000
Authorised:		
Ordinary shares of 50k each	4,000,000	2,000,000
Total authorised share capital	4,000,000	2,000,000
Allotted, called up and fully paid:		
Ordinary shares of 50k each	3,970,478	1,985,238
Total called up share capital	3,970,478	1,985,238

Group and company	Full Year 2019/2020	
	Number in thousands	Amount N'000
Authorised:		
Ordinary shares of 50k each	4,000,000	2,000,000
Total authorised share capital	4,000,000	2,000,000
Allotted, called up and fully paid:		
Ordinary shares of 50k each	3,970,478	1,985,238
Total called up share capital	3,970,478	1,985,238

11. 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% (2018: 73.27%) of the group and company's shares. The remaining 26.73% (2018: 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 May 2021 (31 May 2020: 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. These are detailed in note 3.

12 Trade and other payables

	Group			Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Trade payables	10,315,108	1,977,658	3,546,519	3,509,736	1,740,422	2,640,268
Unclaimed Dividend	1,860,703	1,860,703	1,966,545	1,860,703	1,860,703	1,966,545
Accruals	6,176,687	4,096,190	3,176,166	3,379,411	2,398,200	2,343,155
Amounts owed to subsidiaries	0	-	-	623,039	4,452,649	6,186,173
Amounts owed to related parties	24,254,958	27,883,726	18,913,525	21,800,726	16,455,286	11,272,353
Sundry creditors	2,227,872	1,382,279	1,740,673	2,273,204	1,130,205	1,427,307
Total	44,835,328	37,200,556	29,343,428	33,446,819	28,037,465	25,835,801
	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.

13 Deferred Income

	Group			Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Advance from customers	34,316	54,442	-	-	-	-
Rent received in advance	68,614	27,432	-	68,614	27,432	-
	102,930	81,874	-	68,614	27,432	-

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		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Non-Current	34,316	61,047	-	-	6,605	-
Current	68,614	20,827	-	68,614	20,827	-
	102,930	81,874	-	68,614	27,432	-

Notes to the financial statements

14. Taxation

Current tax payable	Group			Company		
	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q4, 2020/21 N'000	2019/20 N'000	2018/19 N'000
At 1 June	620,176	192,993	457,818	462,814	192,993	457,708
Effect on initial application of IFRIC 23 - prior year	-	219,833	-	-	219,833	-
Effect on initial application of IFRIC 23 - current year	-	14,241	-	-	14,241	-
Charge for the year	479,962	384,035	(6,384)	306,064	226,673	(6,384)
WHT Utilised during the year	(69,796)	(178,671)	(101,999)	(69,796)	(178,671)	(101,889)
Payment during the year	(258,992)	(441)	-	(258,992)	(441)	(156,442)
Payment during the year(ECC)	-	(11,814)	(156,442)	-	(11,814)	-
Closing balance	771,350	620,176	192,993	440,091	462,814	192,993

15. Deferred taxation

The Group

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2019	347,347	2,867,466	3,214,813
Charge to income statement	-	2,153,875	2,153,875
At 31 May 2020	347,347	5,021,341	5,368,688
Adjustments	-	-	-
Charge to income statement	128,473	-	128,473
At 31 May 2021	475,820	5,021,341	5,497,160

The Company

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2019	3,116,626	1,104,804	4,221,430
Charge to income statement	-	2,631,175	2,631,175
At 31 May 2020	3,116,626	3,735,979	6,852,605
Adjustments	-	-	-
Charge to income statement	(194,679)	-	(194,679)
At 31 May 2021	2,921,947	3,735,979	6,657,926

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	(1,160,765)	-
Deferred tax liabilities	6,657,925	6,657,925
	5,497,160	6,657,925

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.

16. Provisions

Warranty provisions	The Group		
	Q4, 2020/21 N'000	Full Year 2020 N'000	Full Year 2019 N'000
Openin Balance	344,848	259,348	187,896
Charged to the income statement	452,407	344,848	183,028
Utilised in the year	(390,415)	(259,348)	(111,576)
Closing Balance	406,840	344,848	259,348
The ageing of the provisions are as follows:	406,840	344,848	259,348
Within 12 months	125,023	99,430	183,028
Greater than 12 months	281,817	245,418	76,320
Total	406,840	344,848	259,348

Warranty provisions

The group generally offers 1- to 3-year warranties for its electrical products and components. Directors estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest

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

Notes to the financial statements

17 Cash generated from operating activities

	Group			Company		
	Q4, 2020/21 N'000	Q4 2019/20 N'000	Year End 2019/20 N'000	Q4, 2020/21 N'000	Q4 2019/20 N'000	Year End 2019/20 N'000
Cash flows from operating activities						
Profit before taxation	2,639,541	(7,984,735)	(7,984,735)	1,795,329	(6,392,401)	(6,392,401)
Adjustment to reconcile net income to cash provided:						
Depreciation	2,582,937	2,690,254	2,880,616	2,380,999	2,496,349	2,644,205
Depreciation - right of use assets		190,362			147,856	
Amortization charge	105,962	105,962	105,962	105,962	105,962	105,962
(Profit)/loss on disposal of fixed assets	(1,899,252)	(1,500)	(1,500)	(1,899,252)	(1,500)	(1,500)
Unclaimed dividend forfeited	-	-	-	-	-	-
Interest expense	71,481	454,234	454,234	12,329	276,515	276,515
Interest income	(238,563)	(304,971)	(304,970)	(408,039)	(338,419)	(338,419)
	3,262,106	(4,850,394)	(4,850,394)	1,987,327	(3,705,638)	(3,705,638)
Changes in assets and liabilities						
(Increase)/decrease in trade and other receivables	(2,695,378)	5,265,316	5,265,316	(2,696,411)	3,941,327	3,941,327
Decrease/(increase) in other assets	(1,240,073)	259,691	259,691	(1,229,386)	70,517	70,517
Decrease in deposit for imports	647,918	1,001,948	1,001,948	194,316	1,272,167	1,272,167
Decrease/(increase) in inventories	1,937,884	2,340,358	2,340,358	(99,977)	3,513,689	3,513,689
Increase/(decrease) in trade, other payables and provisions	7,274,247	8,069,916	8,069,916	5,006,965	2,274,139	2,274,139
Cash flows from operating activities	9,186,703	12,086,835	12,086,835	3,162,834	7,366,201	7,366,201

18 Events after reporting date

18.1 Covid 19 impact

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with about 150 countries affected. Many governments, including the Nigerian government, are taking increasingly stringent measures to contain the spread of the virus. Currently, there is a significant increase in economic uncertainty which is evidenced by increase in exchange rates.

Consequently, for the Company's 30 November 2020 financial statements, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainties of the outcome of current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, result of operations and cash flows in the future.

18.2 Ikoyi Properties

Until 12 December 1991, Lagos State was the capital territory of Nigeria; and at that time certain lands were under the control/ownership of a Federal Government of Nigeria. When country's capital was moved to Abuja, the land in question reverted ostensibly to the control of Lagos state in line with the Land Use Act of 1978. The State authority then transferred the lands to various private landowners. Three properties in Ikoyi belonging to PZ Cussons Nigeria Plc falls within this portion of land.

However, in July 2020 subsequent to year end, the Federal government asserted that they never transferred ownership of the land to the state authorities at that time when the capital moved to Abuja and accordingly laid claim to continued ownership. Occupiers of the properties are alleged to be squatters in the originating summons filed at the High Court by Nurudeen & Co. Nigeria Limited (who by an affidavit annexed to the summons claims that they were appointed as Agent of the Federal Government of Nigeria by a letter of instruction from the office of the Attorney General of the Federation dated 24 August 2017 filed an action). The properties of PZ Cussons Nigeria Plc in the affected areas are valued at approximately at N4.1 Billion.

The Company has title/certificates of occupancy to the affected land, which provides prima facie evidence of ownership, however there is no precedence to estimate the outcome of the matter.

18.3 Board changes

Company recently notified the public of the retirement of its Board Chairman - Chief Kola Jamodu. He retired as Non-Executive Director and Chairman of the Board effective 11 December 2020. Mr. Gbenga Oyeboade have been appointed as Non-Executive Director and Chairman of the Board effective 11 December 2020. Also, Mr. L. Batagarawa have also retired from the Board effective 11 December 2020 while Mallam Dahiru Muhammad resigned effective 31 January 2021.

Except as disclosed above, there are no other significant events after the reporting period which could have a material effect on the financial position of the Company as at 31 May 2021, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these financial statements

18.4 Other income - Profit from sale of factory premises situated at Ikorodu, Lagos State

PZ Cussons Nigeria Plc held an extraordinary general meeting on Thursday, 24 September 2020 in respect of sale of factory premises situated within plot 20A Ikorodu Industrial Scheme, Ikorodu, Lagos to Friesland Campina Wamco Nigeria Plc. The sale was approved at the meeting. The portion of the land sold to Friesland Campina Wamco Nigeria PLC is approximately 67,733,235 square metres. The company received the sum of N2.124 billion as consideration for the sales resulting in profit on disposal of N1.899 billion subject to a capital gains tax of N199.8 million. This transaction have been recognised in the financial statement as at 31 May 2021.

20 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.

Free Float Computation

Shareholding Structure/Free Float Status

Description	31-May-21		31-May-20	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	3,970,477,000	100%	3,970,477,000	100%
Substantial Shareholdings (5% and above)				
PZ Cussons(Holdings) Limited, UK	2,909,565,546	73.28%	2,909,565,546	73.28%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Total Substantial Shareholdings	2,909,565,546	73.28%	2,909,565,546	73.28%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Chief Kolawale Jamodu	3,566,880	0.09%	3,566,880	0.09%
Mr. L. Batagarawa	20,706	0.00%	20,706	0.00%
Ms. Joyce Coker	3,889	0.00%	3,889	0.00%
Paul Usoro	1,000,000	0.03%	1,000,000	0.03%
		0.00%		0.00%
		0.00%		0.00%
Total Directors' Shareholdings	4,591,475	0.12%	4,591,475	0.12%
Other Influential Shareholdings				
		0.00%		0.00%
		0.00%		0.00%
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	1,056,319,979	26.60%	1,056,319,979	26.60%
Free Float in Value	₦ 5,809,759,884.50		₦ 5,809,759,884.50	

Declaration:

- (A) PZ Cussons Nigeria Plc with a free float percentage of 26.6% as at 31 May 2021, 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 ₦5,809,759,884.50 as at 31 May 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.