

FIDSON HEALTHCARE PLC

Lagos, Nigeria

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FIDSON HEALTHCARE PLC
Annual report and financial statements
For the year ended 31 December 2021

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Corporate information

DIRECTORS	Mr. Segun Adebajji, FCA Dr. Fidelis A. Ayebae Mrs. Olufunmilola O. Ayebae Mr. Emmanuel E. Imoagene Mrs. Aishatu P. Sadauki Mr. Vincent Ahonkhai Mr. Ekwunife Okoli Mr. Olugbenga O. Olayeye Mr. Abiola A. Adebayo Mr. Ola Ijimakin	Independent Non-Executive Director - Chairman Managing Director/ Chief Executive Officer Non- Executive Director Non- Executive Director Independent Non- Executive Director Independent Non- Executive Director Independent Non- Executive Director Executive Director, Strategy and Marketing Executive Director, Technical Executive Director, Commercial
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COMPANY SECRETARY Mr. J. Abayomi Adebajo, FCIS

REGISTERED OFFICE 268, Ikorodu Road, Obanikoro
Lagos.
Tel: 01-7406817, 01-8936502
www.fidson.com, e-mail-info@fidson.com

AUDITORS Deloitte & Touche
(Chartered Accountants)
Civic Towers, Plot GA1 Ozumba Mbadiwe Street,
Victoria Island, Lagos.

SOLICITORS Adesokan & Adesokan
53-57, Bamgbose Street
Lagos Island, Lagos
Tel: 2348093131158

BANKERS Access Bank Plc
Bank of Industry
FSDH Merchant Bank Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Union Bank Plc
Unity Bank
Wema Bank Plc
Zenith International bank Plc

REGISTRARS Meristem Registrars
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos
Tel: 234 18920491
Email: info@meristemregistrars.com

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Results at a glance

	Dec-21	Dec-20	%
	₦'000	₦'000	Change
Revenue	30,860,817	18,275,856	69%
Profit before tax	4,717,644	1,772,802	166%
Profit for the year	3,719,913	1,205,039	209%
Retained earnings	7,774,138	4,561,808	70%
Minimum share capital	1,200,000	1,200,000	0%
Issued share capital	1,043,180	1,043,180	0%
Shareholder's fund	13,751,835	10,539,435	30%
PER SHARE DATA			
Earnings per share (Kobo)			
Basic and diluted	178	58	207%
Net asset per share (Kobo)	659	506	30%
Stock exchange quotation at 31 December (Naira)	7.11	4.50	58%
Number of employees	478	405	18%

Report of the Directors

1.0 The Directors have pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2021.

2.0 PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of pharmaceutical products which includes drugs, infusion and injectables. The Company commenced local manufacturing of pharmaceutical products in July 2002.

3.0 LEGAL FORM

The Company operated as a Private Limited Liability Company until June 5, 2008 when it was re-registered as a Public Limited Liability Company. The shares are currently quoted on the floor of the Nigerian Exchange Limited (NGX).

4.0 STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

5.0 DIVIDEND

The Directors propose to pay a dividend of N0.50k amounting to N1,043,180,125.00 out of the profit for the year ended 31 December 2021 (31 December 2020: N0.25k, N521, 590,562.50). Proposed dividend will only be recognised as a liability after approval by the shareholders at the Annual General Meeting.

6.0 MAJOR CUSTOMERS

LAGOS

Omere-Oil Pharm Limited/Zimaco
Elvis-Madu and Son Enterprise
Safeline Pharmaceutical LTD
Cemcee Pharmacy
Great Dan-White Int'l LTD

EAST

John Medicals
Okwytex International Concept Limited
Jaymorr Pharmacy LTD
Peton Investment (Nig) Limited
Grams Pharmacy

WEST

Fiolu Pharmacy
Kunle Ara Pharm
Elgra Pharmacy
Ridaz Pharmacy and Store
Goodall Pharmacy

NORTH

Latnas Pharmacy
Gozeb Pharceuticals Nig. Limited
Klén Pharmacy Limited.
New Health Pharm
Goodall Pharmacy

Report of the Directors (cont'd)

7.0 MAJOR SUPPLIERS

Overseas Suppliers

TIL Exports Pvt Limited India
V.S International
Mevish Export Ltd, India
Medinomics Healthcare Pvt Ltd)
Themis Medicare Ltd
Sukhesh Marketing pvt. Ltd
Sterimax Limited
Thermax Limited
M/S Espee Pharma chen Pvt Ltd
Sinobright Import and Export Co.Limited
Quest Vitamins Ltd
Charack Pvt Ltd.

Local Suppliers

Sankil Pharm Ltd
Beta Glass Plc
Caxton Joe Nigeria Ltd
Dowell Resources & Logistics Ltd
Top pan printing Co. Nigeria Ltd
Vijibuks Nigeria Limited
Shongai Technologies Ltd
Twinstar Ind.Ltd
Sagar Overseas Ltd
Tempo Paper Pulp & Packaging Ltd
Jackpackk Industries Nigeria Ltd
Fiyique Venture Ltd

8.0 DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Mr. Segun Adebajji, FCA	Independent Non-Executive Director - Chairman
Dr. Fidelis A. Ayebae	Managing Director/ Chief Executive Officer
Mrs. Olufunmilola O. Ayebae	Non- Executive Director
Mr. Emmanuel E. Imoagene	Non- Executive Director
Mrs. Aishatu P. Sadauki	Independent Non- Executive Director
Mr. Vincent Ahonkhai	Independent Non- Executive Director
Mr. Ekwunife Okoli	Independent Non- Executive Director
Mr. Olugbenga O. Olayeye	Executive Director, Strategy and Marketing
Mr. Abiola A. Adebayo	Executive Director, Technical
Mr. Ola Ijimakin	Executive Director, Commercial

9.0 DIRECTORS' INTERESTS

The Directors' interests in the issued share capital of the Company as at 31 December 2021 are as follow

	Numbers of shares 2021	%	Numbers of shares 2020	%
Mr. Olusegun Adebajji	-	-	-	-
Dr. Fidelis A. Ayebae	689,585,227	33.05	689,585,227	33.05
Mrs. Olufunmilola O. Ayebae	67,845,000	3.25	67,845,000	3.25
Mr. Olugbenga O. Olayeye	19,581,040	0.94	19,581,040	0.94
Mr. Abiola A. Adebayo	16,626,609	0.80	16,626,609	0.80
Mr. Emmanuel E. Imogene	34,012,000	1.63	34,012,000	1.63
Mrs. Aisha P. Sadauki	781,550	0;.04	781,550	0;.04
Dr. Vincent Ahonkhai	163,600	0.01	-	-
Mr. Ola Ijimakin	2,130,000	0.10	-	-
Mr. Ekwunife Okoli	-	-	-	-
Indirect interest				
Glurious Haven Ltd – on behalf of				
Dr. Fidelis A. Ayebae	1,000,000	0.05	1,000,000	0.05

Report of the Directors (cont'd)

10.0 BOARD OF DIRECTORS

In accordance with the provisions of Section 285 of the Companies & Allied Matters Act, 2020, one third of the Directors of the Company shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election. Accordingly, Mr. Segun Adebajji Mrs. Olufunmilola O. Ayebae and Mr. Olugbenga O Olayeye retired by rotation and being eligible, offer themselves for re-election.

11.0 DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any disclosable interest in contracts with which the Company is involved as at 31 December 2021.

12.0 SUBSTANTIAL INTEREST IN SHARES

The registrar has advised that according to the register of members as at 31 December 2021, the following held more than 5% of the issued share capital of the Company:

Shareholder	No of Shares	% Holding
Dr. Fidelis Ayebae	689,585,227	33.05%
Stanbic IBTC Nominee Ltd	514,747,303	24.67%

13.0 CORPORATE SOCIAL RESPONSIBILITIES

The Company made contributions as part of its corporate social responsibility. The beneficiaries are as follows:

	2021 N	2020 N
Religious organisations	210,000	350,000
Hospitals/Health institutions	70,008,725	19,613,521
Schools/Communities	43,711,262	38,407,878
	<u>113,929,987</u>	<u>58,371,399</u>

14.0 EVENTS AFTER THE REPORTING PERIOD

As stated in Note 44, no material events have occurred between the end of the reporting period and the date of this report which could have had a material effect on the state of affairs of the Company as at 31 December 2021.

15.0 ANALYSIS OF SHAREHOLDERS

Analysis of shareholdings as at 31 December 2021

Range	No. of Holders	% Members	Units	% Holding
1-50,000	5,761	88	50,367,242	2
50,001 – 100,000	327	5	25,858,954	1
100,001 – 1,000,000	384	6	105,084,343	5
1,000,001 and above	60	1	1,905,049,711	91
	<u>6,532</u>	<u>100</u>	<u>2,086,360,250</u>	<u>100</u>

Report of the Directors (cont'd)

16.0 EMPLOYMENT AND EMPLOYEES

a. Employment of disabled Persons

It is the Company's policy that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2021, there were two disabled employees working in the administrative section of the factory.

b. Welfare

The Company has retainer agreement with a number of private hospitals to whom cases of illness are referred for treatment and/or admission.

The Company provides subsidy to employees in respect of transportation, lunch, housing, and healthcare.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonus, promotions, and wage review.

c. Training

The Company attaches great importance to training and all categories of staff attend courses or seminars as considered necessary by the Company's management. This was extended to member of the statutory audit committee during the year under review.

17.0 AUDIT COMMITTEE

Pursuant to Section 404 of the Companies and Allied Matters Act, 2020, the Company has in place an Audit Committee comprising of Directors and shareholders, namely:

Chief Matthew Akinlade, FCA	Shareholders 'Chairman
Alhaji Abdulkabir Sarumi,	Shareholders' representative
Mr. Solomon S. Akinsanya	Shareholders' representative
Mrs. Olufunmilola O. Ayebae	Directors' representative
Mr. Emmanuel E. Imoagene	Directors' representative

The functions of the Audit Committee are laid down in Section 404(7) of the Companies and Allied Matters Act, 2020.

18.0 AUDITORS

Messrs Deloitte and Touche (Chartered Accountants) have indicated their willingness to continue in office in accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 Nigeria. A resolution will be proposed at the 23rd Annual General Meeting for the authority to fix their remuneration by the directors.



BY ORDER OF THE BOARD
J. ABAYOMI ADEBANJO, FCIS
COMPANY SECRETARY
FRC/2013/ICSAN/00000002161
24 March 2022

Corporate governance report

The governance imperatives for businesses' sustainability became obvious since the outbreak of COVID-19 in 2019. Like many other companies, we remained resolute and strengthened the internal capacity to meet the challenges in the business and regulatory environment. We maintained the zero-tolerance for non-compliance on all governance matters throughout the year under review.

We recognized the importance of Environment, Social and Governance (ESG) and imbibed the culture of environmental preservation. This led to our ISO 14001:2015 certification during the year under review while maintaining the principle of full disclosure as required by Principle 28 of the Nigerian Code of Corporate Governance and the provisions of the Listing Rules particularly Rule 17.5 and other rules of the exchange bordering on transparency and effective communication with stakeholders and the investing public.

Good governance and fair-trade practices remain at the heart of our business activities. In this report, reviews were made to existing principles where necessary while sustaining them, namely:

People: Our stakeholders are at the center of our Corporate Governance practices. Demands of our stakeholders whether directly or indirectly impacting our operations are constantly considered and promptly attended to. In this area of our operations are robust Corporate Social Responsibility policies, remuneration and motivation schemes that are second to none in the industry and concern for our end users. We realize that our shareholders are important, and all efforts were made throughout the year to reach out to them in a bid to ensure an amicable shareholder-management relationship. Aside from the statutory register of members, we created a directory of notable members for the purposes of engagement and operational reporting whenever the need arises.

Prices: Our pricing policies are geared towards optimizing our resources for continued growth and development without exploiting the market. We have continued to consider the general inflationary trend and affordability to the common man before arriving at our prices.

Planet: Because we value life, our operations are conducted in a way that minimizes negative externalities. At the heart of this is our robust policy on Health, Safety, and Environment (HSE). We conducted regular HSE training throughout the year in addition to appointing Safety Officers in each of our locations and the Office. Obsolete equipment is disposed of in order to allow for recycling. Expired drugs are also destroyed under the supervision of regulators and each time this is done a Certificate of Destruction is received from the relevant Government Agency. We have imbibed best practices and ethical standards in all our dealings.

Probity: We reviewed our governance principles, and we imbibed the 'probity' as one of the essentials of good governance. All officers, including directors, are requested to give an honest account of all company resources in their custody as and when due.

In addition to the above, we have strengthened our risk management team and the general practice of risk awareness and control consciousness company wide.

OUR CORPORATE GOVERNANCE PLATFORM

Our corporate governance strategy and initiatives are geared towards complying with the Nigerian Code of Corporate Governance 2018 and maintaining an amicable relationship with the various stakeholders on which our continued existence relies. Our second approach to Corporate Governance is to use the doctrines of good governance to engender the sustainability of our business.

Corporate governance report (cont'd)

We have continued to subject our operations to periodic examinations and audits by independent auditors which include current Good Manufacturing Practice (GMP) and National Agency for Food and Drugs Administration and Control (NAFDAC). Each audit/examination report is made the subject for consideration by a committee headed by an executive director for proper review and implementation.

Overseen by the Board of Directors, Corporate Governance practices are constantly under review in line with the dynamics of the business environment. The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the company's business is conducted in a fair, honest and transparent manner that conforms to high ethical standards.

The day-to-day affairs of the company are run by the Executive Management with regular meetings to brainstorm on the company's operations and to also give departmental reports for reviews.

The framework for our corporate governance is hinged on:

1. The Nigerian Code of Corporate Governance 2018
2. Various Standard Operations Procedure (SOP) and the International Standard Organisations compliance requirements
3. Provisions of the Companies and Allied Matters Act, 2020
4. Financial Reporting Council Act, 2011
5. International Financial Reporting Standards (IFRS)
6. The listing rules of the Nigerian Exchange Limited
7. Rules of the Securities and Exchange Commission.
8. Good Manufacturing Practices.
9. International best practices.

BOARD COMMITTEES

Board committees during the year under review were constituted as follows:

S/N	NAME OF COMMITTEE	MEMBERS
1	Governance, Nomination and Remuneration Committee	Mrs. A. P. Sadauki (Chairman) Mr. E. E. Imoagene Mrs. O. O. Ayebae Mr. Ekwunife Okoli Dr. Vincent Ahonkhai
2	Finance and General purposes committee	Mr. E. E. Imoagene (Chairman) Mr. O. S. Adebajji Dr Vincent Ahonkhai Mr. Ekwunife Okoli Mr. O. O. Olayeye Mr. A. A. Adebayo Mr. Ola Ijimakin Dr F. A. Ayebae
3.	Risk, Audit & Credit Control Committee	Mr. O. S. Adebajji (Chairman) Mr. E. E. Imoagene Mr. Ekwunife Okoli Mrs. O. O. Ayebae Mr. O. O. Olayeye Mr. A. A. Adebayo Dr. F. A. Ayebae

Corporate governance report (cont'd)

BOARD COMMITTEES (CONT'D)

4.	Strategy and Business Development	Mr. Ekwunife Okoli (Chairman) Dr. Vincent Ahonkhai Mrs. A. P. Sadauki Mr. Emmanuel Imoagene Mr. O. O. Olayeye Mr. A. A. Adebayo Mr. Ola Ijimakin Dr. Fidelis Ayebae
5.	Statutory Audit Committee.	Mrs. O. O. Ayebae Mr E. E. Imoagene

COMMITTEES' TERMS OF REFERENCE

The terms of reference for all the committees are in line with the provisions of the Nigerian Code of Corporate Governance 2018 and generally accepted best practices. The Committee's terms of reference, in summary, are as follows:

1. **Governance, Nomination and Remuneration Committee (GNRC):** The committee's main responsibility is to assist the Board in developing policies to fill any vacancy on the Board, however, occasioned and to ensure at all times that competence gaps are closed so that the company is not short of the required skills.

In doing this, the committee considers the need to attract, motivate and retain suitably qualified individuals to the Board.

The Committee ensures the sustainability of the business by ensuring that at all times the company maintains its good governance structure, probity, accountability, transparency, good ethical conduct and responsible leadership.

The responsibility of the committee includes the recommendation of a competitive remuneration package for the executive management and the Board. In doing this, the committee considers the need to maintain both internal and external competitiveness. It is also the responsibility of the committee to ensure that remunerations paid to the employees of the company are adequate and commensurate with performance.

2. **Finance and General Purposes Committee:** The committee assists the Board in ensuring that the company's strategic initiatives and objectives are translated into actions and processes. In doing this, the committee considers and makes recommendations to the Board with regards to:-

- (a) the annual estimates of revenue and expenditure (income statement).
- (b) capital expenditure requirements including loans.
- (c) investment and borrowing policies
- (d) any other matters referred to the Committee by the Board.

Corporate governance report (cont'd)

3. **Strategy and Business Development Committee:** The Committee's function is to assist the board in the development of a strategic planning process and ensure a periodic review of the process and report to the Board on implementation. To achieve its objectives, the Committee, amongst others:
- (a) ensure that the business sets stretch but realisable long-term and annual business goals consistent with market opportunities, and capable of delivering the company's vision and mission statements.
 - (b) review, input, and recommend to the Board long-term and annual business strategy to deliver the business goals and consistently outperform the competition.
 - (c) ensure that the annual plans and long-term strategy is communicated across the organisation to ensure alignment and ownership.
 - (d) ensure that the long-term strategy and annual plans are tracked twice annually and quarterly respectively and a dashboard is used to communicate status to key stakeholders.
 - (e) ensure that a Strategic planning cycle is developed and embedded into the corporate calendar so that adequate time is created for the process.
4. **Risk, Audit and Credit Control Committee:** The committee assists the Board in the monitoring, reviewing and administration of the credit policy and risk management. Its terms of reference include the following:
- (a) Consider the nature, extent, and categories of the risks facing the Company, and the likelihood of such risks materializing, the Company's ability to reduce the incidence and the impact on its business, if the risks do materialize.
 - (b) Advise the Board on the cost of operating particular controls relative to the benefits thereby obtained in managing the related risks;
 - (c) Ensure that the Company's policy on ethics adequately impacts positively on its business partners and stakeholders e.g. Customers, Shareholders, Community, Government, Suppliers and the public;
 - (d) Prescribe new standards and mechanisms related to ethics and make the recommendations to the Board.
 - (e) Review the risk register and to notify the Board of changes in the status and control evaluation of risks.
 - (f) Keep under review and monitor the effectiveness of the Company's system of internal control, non-financial activities of management, including operational and compliance controls and risk management, environment, health and safety and report to the Board on annual basis and.
 - (g) Monitor compliance with the provisions of the Companies and Allied Matters Act as they affect the operations of the business and adherence to the rules and regulations of relevant regulatory bodies.
 - (h) To obtain Board approval for any policy changes, actions or decisions of the Committee that require such approval. The communication path shall be through the Company Secretary and/or the Chairman.
 - (i) The Committee shall be responsible for putting in place a structure for risk management.
 - (j) To review the implementation of the company's processes as they relate to risk management framework and recommend best practice.
 - (k) To consider the likely impact on breaches in the company's operations.
 - (l) To put in place a Business Continuity Plan (BCP) for the company.

These committees meet on a regular basis to discharge their functions and report to the Board.

Corporate governance report (cont'd)

THE BOARD

Frequency of meetings:

The Board of Directors holds at least 4 (four) meetings in each financial year. Each meeting is scheduled to receive quarterly operating results among other reports on the company's operations. All matters reserved for the Board are duly considered and resolved. These include consideration and approval of budgets, major capital expenditures, corporate strategy, review of policies on internal risk management, review of performance and generally direct the affairs of the company's operations.

Attendance at Board meetings during the year under review was impressive. In line with Section 284 (2) of the Companies and Allied Matters Act, 2020, the record of Director's attendance at Board meetings is available at the annual general meeting for inspection.

In compliance with Section 275 of the Companies and Allied Matters Act, 2020, two additional Independent Non-executive Directors were added to the Board with effect from 01/01/21 to have a minimum of three (3) required by the Law.

Responsibilities of the Board of Directors:

It is the responsibility of the Board of Directors to:

1. ensure that the company's operations are conducted in a fair and transparent manner that conforms with high ethical standards;
2. ensure the integrity of the company's financial and internal control policies;
3. ensure the accuracy, adequacy and timely rendition of the statutory returns and financial reports to the regulatory authorities, namely, The Nigerian Exchange Limited (NGX), Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), National Agency for Food and Drug Administration and Control (NAFDAC) and shareholders through the Company Secretary;
4. ensure value creation for the shareholders, employees and other stakeholders;
5. review and approve corporate policies, strategies, annual budgets and business plans;
6. monitor implementation of policies and strategic direction of the company.
7. set performance objectives, monitor implementation and corporate performance.
8. review and approve all major capital expenditure of the company.
9. ensure that the statutory rights of all stakeholders are protected at all times; and,
10. institute an appropriate mechanism for measuring adherence by management to all regulations.

Information flow to the Board: The executive management ensures that the Board received adequate information on a timely basis. Board papers are circulated at least two weeks before every Board meeting.

As part of the Board's resolve to ensure adequate compliance with and to engender good corporate governance, at every Board meeting *Corporate Governance Report* is presented by the Company Secretary for consideration by the Board. This way, the Board is abreast of the regulatory, statutory and ethical requirements expected of listed companies in Nigeria.

Corporate governance report (cont'd)

THE BOARD (CONT'D)

Board Charter: In order to ensure good governance is engendered in the company, the Board is run by a Charter which amongst other things make provisions concerning:

- a) Frequency of Board meetings
- b) Process for adoption and circulation of Board minutes
- c) Disclosure of interest
- d) Guidelines for ensuring the integrity and independence of directors.
- e) Commitment to comply with the Corporate Governance Code

Board Structure: The Board currently consist of 10 (ten) directors. They are made up of four (4) Executive Directors, two (2) Non-Executive Directors and four (4) Independent Non-Executive Directors. The structure has engendered a culture of objective and professional inputs at Board level.

In structuring the Board, there was consideration for diversity in terms of gender and core competencies of individual directors, hence there are three women and five men on the Board. Among the Board members are experts in Human Resources, corporate governance, medical sciences, finance, agriculture, marketing and strategy.

Directors during the year under review were:

- | | | |
|----------------------------------|---|---|
| 1. Mr. O. S. Adebajji | - | Chairman (Independent Non-Executive Director) |
| 2. Dr. Fidelis A. Ayebae | - | Managing Director/Chief Executive Officer |
| 3. Mr. Emmanuel E. Imoagene | - | Non-Executive Director |
| 4. Mrs. Oluwafunmilola O. Ayebae | - | Non-Executive Director |
| 5. Mrs. Aishatu P. Sadauki | - | Independent Non-Executive Director |
| 6. Dr. Vincent Ahonkhai | - | Independent Non-Executive Director |
| 7. Mr. Ekwunife N. Okoli | - | Independent Non-Executive Director |
| 8. Mr. Olugbenga O. Olayeye | - | Executive Director, Sales and Marketing |
| 9. Mr. Abiola A. Adebayo | - | Executive Director, Operations. |
| 10. Mr. Ola Ijimakin | - | Executive Director, Commercial. |

Board evaluation and appraisal: The Board has decided to conduct an evaluation of its members before the end of the 2022 financial year.

Related party transaction: Though the shareholders gave an anticipatory approval at the last annual general meeting, there was no material related party transaction throughout the year under review.

Corporate governance report (cont'd)

THE STATUTORY AUDIT COMMITTEE

In accordance with section 404 (3) of the Companies and Allied Matters Act, 2020, the audit committee is made up of five (5) members, three representatives of the shareholders and two (2) representatives of the Board of directors. Members of the audit committee are elected at the annual general meeting. The committee was engaged maximally in all aspects of its responsibility as stipulated by the law. In addition, the committee was encouraged to take on other assignments that may be of benefit to the company.

Members of the committee during the year under review were:

- | | |
|---|-------------|
| 1. Chief Matthew Akinlade, FCA, Shareholder | Chairman |
| 2. Alhaji Abdulkabir B. Sarumi | Shareholder |
| 3. Mr. Solomon S Akinsanya | Shareholder |
| 4. Mrs. Olufunmilola O. Ayebae | Director |
| 5. Mr. Emmanuel E. Imoagene | Director |

Attendance of Board Members, Board Committees and Audit Committee at meetings during the twelve months ended 31st December 2021.

BOARD MEETINGS	25—3-21	22-04-21	28-07-21	21-10-21	10-12-21	%
Mr. Segun Adebajji	✓	✓	✓	✓	✓	100
Dr. F A Ayebae	✓	✓	✓	✓	✓	100
Mrs. A. P. Sadauki	✓	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	X	✓	✓	✓	✓	80
Mr. E.E. Imogene	✓	✓	✓	✓	✓	100
Dr. Vincent Ahonkhai	✓	X	✓	✓	✓	80
Mr. Ekwunife Okoli	✓	✓	✓	✓	✓	100
Mr. O O. Olayeye	✓	✓	✓	✓	✓	100
Mr. A A. Adebayo	✓	✓	✓	✓	✓	100
Mr. Ola Ijimakin	✓	✓	✓	✓	✓	100

AUDIT COMMITTEE	02-02-21	24-03-21	2-04-21	15-07-21	19-10-21	%
Chief Matthew Akinlade	✓	✓	✓	✓	✓	100
Alhaji A. B Sarumi	✓	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	X	✓	✓	✓	✓	80
Mr. S. S Akinsanya	✓	✓	✓	✓	✓	100
Mr. E. E. Imoagene	✓	✓	✓	✓	✓	100

GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE	31—03-21	26-07-21	28-07-21	20-10-21	%
Mrs. A. P. Sadauki	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	✓	✓	✓	✓	100
Mr. E.E. Imogene	✓	✓	✓	✓	100
Mr. Ekwunife Okoli	✓	✓	✓	✓	100
Dr. Vincent Ahonkhai	✓	✓	✓	✓	100

Corporate governance report (cont'd)

FINANCE AND GENERAL PURPOSES COMMITTEE	28-01-21	25-03-21	22-04-21	14-07-21	18-10-21	03-12-21	%
Mr. E.E. Imogene	✓	✓	✓	✓	✓	✓	100
Dr. F. A Ayebae	✓	✓	✓	✓	✓	✓	100
Mr. O. S Adebajji	✓	✓	✓	✓	✓	✓	100
Dr. Vincent Ahonkhai	NA	NA	X	✓	✓	✓	75
Mr. Ekwunife Okoli	NA	NA	✓	✓	✓	✓	100
Mr. O O. Olayeye	✓	✓	✓	✓	✓	✓	100
Mr. A A. Adebayo	✓	✓	✓	✓	✓	✓	100
Mr. Ola Ijimakin	NA	NA	✓	✓	X	✓	75

RISK MANAGEMENT AND AUDIT COMMITTEE.	13-07-21	12-10-21	30-11-21	%
Mr. Segun Adebajji	✓	✓	✓	100
Dr. F. A. Ayebae	✓	✓	✓	100
Mr. Ekwunife Okoli	✓	✓	✓	100
MRS. O. O. Ayebae	✓	✓	X	67
Mr. O O. Olayeye	✓	✓	✓	100
Mr. E.E. Imogene	✓	✓	✓	100
Mr. A A. Adebayo	✓	✓	✓	100

STRATEGY AND BUSINESS DEVELOPMENT COMMITTEE	08-07-21	14-10-21	02-12-21	%
Mr. Ekwunife Okoli	✓	✓	X	67
Mrs. A. P. Sadauki	✓	✓	X	67
Mr. E.E. Imogene	✓	✓	✓	100
Dr. Vincent Ahonkhai	✓	✓	✓	100
Dr. Fidelis. Ayebae	X	✓	✓	67
Mr. O O. Olayeye	✓	✓	✓	100
Mr. A A. Adebayo	✓	✓	✓	100
Mr. Ola Ijimakin	✓	X	✓	67

Board induction programme: With the expansion of the Board in January 2021, a robust Directors' induction programme was instituted. The induction took one month and covered all aspects of the business in addition to the basic training of directors on compliance with their disclosure obligations and more. The benefit of the induction was apparent in the quick understanding of the business by the Directors and reflected in their contributions at Board meetings.

Securities Trading

The company directors are constantly reminded and they are aware of the restrictions imposed on them with regards to trading in the shares of the company during closed periods. The policy in place is obeyed by the directors and other senior employees who by virtue of their position constantly come in contact with price-sensitive information.

Enquiries have been made and it is hereby stated that in respect of these financial statements and the interim accounts submitted in the year under review none of the directors violated the rules relating to securities trading.

Payment of penalty:

The company paid no penalty to the Nigerian Exchange Limited during the year under review

Compliance with the code of corporate governance:

The Company complied with the 2018 Code of Corporate Governance for public companies during the year under review. Detailed explanations were given in the annual corporate governance return (Form SEC 1) made to the Securities and Exchange Commission in January 2022.

Corporate governance report (cont'd)

The complaints management policy of the company

The company has in place a policy document on complaints management to support the existing policies dealing with allied matters.

**SHAREHOLDING STRUCTURE/FREE
FLOAT STATUS**

Description	31-12-21		31-12-20	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	2,086,360,250	100%	2,086,360,250	100%
Substantial Shareholdings (5% and above)				
Dr. Fidelis A. Ayebae	689,585,227	33.05%	689,585,227	33.05%
Stanbic IBTC Nominees Limited	514,747,303	24.67%	514,747,303	24.67%
Total Substantial Shareholdings	1,204,332,530	57.72%	1,204,332,530	57.72%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
DR. Fidelis A. Ayebae (indirect)	1,000,000	0.05%	1,000,000	0.05%
Mr. Emmanuel E. Imoagene	34,012,000	1.63%	34,012,000	1.63%
Mrs. Olufunmilola O. Ayebae	67,845,000	3.25%	67,845,000	3.25%
Mrs. Aishatu P. Sadauki	781,550	0.04%	781,550	0.04%
Dr. Vincent Ahonkhai	162,600	0.01%	0	0.00%
Mr. Olugbenga O. Olayeye	19,581,040	0.94%	19,581,040	0.94%
Mr. Abiola A. Adebayo	16,625,609	0.80%	16,625,609	0.80%
Mr. Ola Ijimakin	2,130,000	0.10%	2,130,000	0.10%
Mr. Ekwunife Okoli	0	0.00%	0	0.00%
Mr. Segun Adebajji	0	0	0	0
Total Directors' Shareholdings	142,137,799	6.81%	141,975,199	6.80%
Other Influential Shareholdings				
NIL				
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	739,889,921	0	740,052,521	35.47%
Free Float in Value	₦ 4,180,378,053.65			

Declaration:

- (A) FIDSON HEALTHCARE PLC with a free float percentage of 35.47% as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.
- (B) FIDSON HEALTHCARE PLC with a free float value of N4,180,378,053.65 as at 31st December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

NB: Average share price in 2020 was N2.99 and N5.65 in 2021.



J. Abayomi Adebajo, FCIS
Company Secretary
FRC/2013/ICSAN/00000002161
25 March 2022

**STATEMENT OF CORPORATE RESPONSIBILITY AND CERTIFICATION OF ACCOUNT PURSUANT TO SECTION 60
(2) OF THE INVESTMENTS AND SECURITIES ACT, 2007 AND SECTION 405 OF THE COMPANIES AND ALLIED
MATTERS ACT 2022**

We, Dr. Fidelis Ayebae and Mr. Imokha Ayebae, being the Chief Executive Officer and the Head of Finance respectively of Fidson Healthcare Plc in compliance with section 60 of the Investments and Securities Act, 2007 and with regard to the unaudited accounts for the YEAR ended 31st December 2021 now submitted to the Commission, hereby certify that:

- (a) We have reviewed the report;
- (b) based on our knowledge, the report does not contain;
 - i) any untrue statement of a material fact, or
 - ii) omit to state a material fact, which would make the statement, misleading in the light of the circumstances under which such statement was made;
- (c) Based on our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the period presented in the report.
- (d) We:
 - i) are responsible for establishing and maintaining internal controls.
 - ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to us by others within the company particularly during the year ended 31st December 2021.
 - iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the Auditors of the company and audit committee:
 - i) all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's Auditors any material weakness in internal controls.
- (f) We have identified in the report whether there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Certified by:

.....
Dr. Fidelis Ayebae
(Managing Director)

Dated this ...28th^t day of January.....2022.

.....
Mr. Imokha Ayebae
(Chief Financial Officer)

Statement of Directors' Responsibilities
For the preparation and approval of the Financial Statements

The Directors of Fidson Healthcare Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the Company's financial position and financial performance.

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.



Abiola Adebayo
Director
FRC/2013/PSNIG/00000002162
24 March 2022



Fidelis Ayebae
MD/CEO
FRC/2014/CIANG/00000002376
24 March 2022

Audit committee's report

In the course of the financial year 2021, the statutory Audit Committee of Fidson Healthcare Plc met five times as illustrated in the table below.

AUDIT COMMITTEE	02-02-21	24-03-21	2-04-21	15-07-21	19-10-21	%
Chief Matthew Akinlade	✓	✓	✓	✓	✓	100
Alhaji A. B. Sarumi	✓	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	✓	✓	✓	✓	X	80
Mr. S. S Akinsanya	✓	✓	✓	✓	✓	100
Mr. E. E. Imoagene	✓	✓	✓	✓	✓	100

Key

- ✓ - Present
- x - Absent

Our terms of reference include but are not limited to the following:

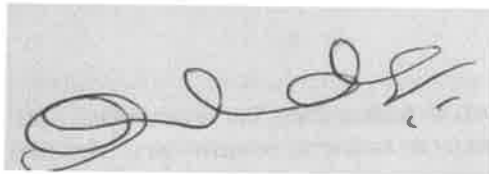
- 1 Assist in the oversight of the integrity of Fidson Healthcare Plc ("the Company") financial statements, compliance with legal and other regulatory requirement, assessment of qualifications and independence of external auditor, and performance of the company's internal audit functions well as that of external auditors.
- 2 Ensure the development of a comprehensive internal control framework for the Company, obtains assurance and report annually in the financial report, on the operating effectiveness of the Company's internal framework.
- 3 Oversee management's process for the identification of significant fraud risks across the Company and ensure that adequate prevention, detection, and reporting mechanism are in place.
- 4 Discuss the annual audited financial statements with management and external auditors.
- 5 Discuss policies and strategies in respect to risk assessment and management.
- 6 Review and ensure that adequate whistle blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman.
- 7 Review, with the external auditor, any audit scope limitations or problems encountered and management responses to same. In addition, to review the independence of external auditors and ensure that where non- audit services are provided by the external auditors, there is no conflict of interest.
- 8 Preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors.
- 9 Invoke its authority to investigate any matter within its terms of reference for which purpose the Company must make available the resources to the internal auditors with which to carry out these functions, including access to external advice where necessary.

Consequently, in accordance with the provisions of section 404(4) and (7) of the Companies and Allied Matters Act 2020, the members of the statutory Audit committee of Fidson Healthcare Plc hereby report that we have exercised our statutory functions under this act, and we acknowledge the cooperation of the Management and staff of the conduct of these responsibilities.

Audit committee's report (cont'd)

Specifically, we confirm that:

- 1 The accounting and reporting policies of the Company are consistent with the legal requirements and ethical practices.
- 2 The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems; and
- 3 We have considered the independent auditor's post audit report and management responses thereon, and are satisfied with responses to our question as well as the state of Fidson Healthcare Plc.



Chief Matthew Akinlade, FCA
FRC2013/ICAN/0000002111
Chairman
Statutory Audit Committee
23 March 2022

Members of the Statutory Audit Committee are:

Chief Matthew Akinlade, FCA	Shareholder representative (Chairman)
Alhaji Abdulkabir Sarumi,	Shareholders' representative
Mr. Solomon S. Akinsanya	Shareholders' representative
Mrs. Olufunmilola O. Ayebae	Directors' representative
Mr. Emmanuel E. Imoagene	Directors' representative

Independent Auditor's report

To the Shareholders of Fidson Healthcare Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Fidson Healthcare Plc** set out on pages 5 to 67, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of financial position of Fidson Healthcare Plc as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.



Key Audit Matter	How the matter was addressed in the audit
<p>Revenue</p> <p>As at 31 December 2021, the Company's revenue was N30.86 billion representing an increase of 69% from N18.28 billion as at 31 December 2020. Further assessment revealed that significant part of the increase relates to infusion products which increased by 52%.</p> <p>Given the materiality of the increase in the account balance, and the extent of audit procedures performed, we have considered this a Key Audit Matter.</p> <p>Details of the Key Audit Matter (KAM) are disclosed in note 5 of the financial statements.</p>	<p>In evaluating the reasonableness of the increase in the account balance, we performed the following procedures:</p> <ol style="list-style-type: none"> 1. Performed analytical procedures to determine the relevant risks as at year end. 2. Assessed and obtained understanding of key controls over revenue recognition. 3. Reconciled revenue to the general ledger to ensure proper recording, completeness, accuracy, occurrence and classification of revenue. 4. Obtained the sales report and reconciled it to the general ledger. 5. Selected samples of sales transactions and reviewed the sales invoices and customer acknowledged waybills to ascertain the goods were sold to third parties, and control passed before recognition 6. Performed analysis of revenue, receivables and payments from customers during and after year end to ascertain that the recorded revenue were paid for by the customers. 7. Performed cut off procedures to ensure revenue transactions were recorded in the appropriate period 8. Ensured appropriate disclosure of the revenue balance in the financial statements.

The result of procedures performed shows that the increase in the account balance is reasonable.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report the Corporate governance Report, and other national disclosures which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee and Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of the Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company have kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Chigozie Okoro, FCA-FRC/2013/ICAN/0000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March, 2022



FIDSON HEALTHCARE PLC
Annual report and financial statements
For the year ended 31 December 2021

Statement of profit or loss and other comprehensive income


	Notes	Dec-21 N'000	Dec-20 N'000
Revenue	5	30,860,817	18,275,856
Cost of sales	6	<u>(15,757,782)</u>	<u>(9,694,516)</u>
Gross profit		15,103,035	8,581,340
Other operating income	7	596,552	349,745
Administrative expenses	8	(6,416,079)	(3,734,059)
Selling and distribution expenses	9	<u>(3,421,283)</u>	<u>(2,099,537)</u>
Operating profit		5,862,225	3,097,489
Finance costs	10	(1,222,299)	(1,333,927)
Finance income	11	<u>77,718</u>	<u>9,240</u>
Profit before tax	12	4,717,644	1,772,802
Income tax	13a	<u>(997,731)</u>	<u>(567,763)</u>
Profit for the year		<u>3,719,913</u>	<u>1,205,039</u>
Other comprehensive income: (OCI)			
Items to be reclassified to profit or loss in subsequent years:			
Fair value profit on available for sale financial instruments	34	<u>70</u>	<u>1,240</u>
Net other comprehensive income to be reclassified to profit or loss		<u>70</u>	<u>1,240</u>
Items not to be reclassified to profit or loss in subsequent years:			
Re- measurement gain on defined benefit plans	25	20,011	36,838
Income tax effect	13c	<u>(6,004)</u>	<u>(11,051)</u>
Net other comprehensive income not to be reclassified to profit or loss		<u>14,007</u>	<u>25,787</u>
Other comprehensive income, net of tax		<u>14,077</u>	<u>27,027</u>
Total comprehensive income, net of tax		<u>3,733,990</u>	<u>1,232,066</u>
Earnings per share – basic (In kobo)			
Basic and diluted	43	<u>178</u>	<u>58</u>

The notes and accounting policies form an integral part of these financial statements.

Statement of financial position
As at 31 December 2021

ASSETS	Notes	Dec-21	Dec-20
Non-current assets			
Property, plant and equipment	14	14,892,994	13,387,810
Right of use assets	15	486,271	595,194
Investment property	16	31,823	32,742
Intangible assets	17	21,722	23,530
Available-for-sale investments	18a	5,030	4,960
Loans and receivables	18b	14,027	12,871
Other non-current financial asset	19	173,162	171,673
		<u>15,625,029</u>	<u>14,228,780</u>
Current assets			
Inventories	20	11,154,535	6,780,766
Trade and other receivables	21	2,979,867	2,731,272
Prepayments	22	1,389,825	296,312
Cash and cash equivalents	23	1,956,154	3,205,354
		<u>17,480,381</u>	<u>13,013,704</u>
Total assets		<u>33,105,410</u>	<u>27,242,484</u>
Equity and liabilities			
Equity			
Issued share capital	32	1,043,180	1,043,180
Share premium	33	4,933,932	4,933,932
Retained earnings		7,774,138	4,561,808
Available for sale reserve	34	585	515
		<u>13,751,835</u>	<u>10,539,435</u>
Non-current liabilities			
Interest bearing loans and borrowings	24	6,210,729	4,050,683
Lease liabilities	25	63,590	164,459
Retirement benefit obligation	26	268,185	447,792
Government grant	27	660,764	938,248
Deferred revenue	28	1,583	4,751
Deferred tax liability	13c	1,177,063	1,548,311
		<u>8,381,914</u>	<u>7,154,244</u>
Current liabilities			
Trade and other payables	29	4,447,130	2,177,568
Interest bearing loans and borrowings	24	2,200,119	6,636,268
Bank Overdraft	23	259,662	232,229
Other financial liabilities	30	2,150,000	-
Lease liabilities	25	87,350	95,982
Government grant	27	356,651	244,229
Deferred revenue	28	3,167	3,168
Income tax payable	13b	1,379,367	120,424
Unclaimed dividend	31b	88,215	38,937
		<u>10,971,661</u>	<u>9,548,805</u>
Total liabilities		<u>19,353,575</u>	<u>16,703,049</u>
Total equity and liabilities		<u>33,105,410</u>	<u>27,242,484</u>


SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 24 March 2022



Fidelis Ayebae
Managing Director/CEO
FRC/2014/CIANG/00000002376



Imokha Ayebae
Chief Financial Officer



Abiola Adebayo
Director
FRC/2013/PSNIG/00000002162

The Notes and accounting policies form an integral part of these financial statements.

The Financial Reporting Council of Nigeria (FRC), through a letter dated 11 November 2021, granted a waiver which allows the Chief Financial Officer to sign the financial statements for the year ended 31 December 2021 without indicating any FRC registration Number.

FIDSON HEALTHCARE PLC
Annual report and financial statements
For the year ended 31 December 2021

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Available- for-sale reserve	Total
	N000	N000	N000	N000	N000
At 1 January 2020	1,043,180	4,933,932	3,643,921	(725)	9,620,308
Profit for the year	-	-	1,205,039	-	1,205,039
Other comprehensive income for the year, net	-	-	25,787	1,240	27,027
Total Comprehensive Income for the year	-	-	1,230,826	1,240	1,232,066
Dividends (Note 31)	-	-	(312,939)	-	(312,939)
At 31 December 2020	1,043,180	4,933,932	4,561,808	515	10,539,435
At 1 January 2021	1,043,180	4,933,932	4,561,808	515	10,539,435
Profit for the year	-	-	3,719,913	-	3,719,913
Other comprehensive income for the year, net	-	-	14,007	70	14,077
Total Comprehensive Income for the year	-	-	3,733,920	70	3,733,990
Dividends (Note 31)	-	-	(521,590)	-	(521,590)
At 31 December 2021	1,043,180	4,933,932	7,774,138	585	13,751,835

Statement of cash flows

	Notes	Dec-21 N'000	Dec-20 N'000
Operating activities:			
Profit before tax		4,717,644	1,772,802
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment	14	654,108	668,435
Depreciation - Right of use assets	15	105,850	106,911
Impairment loss/(gain)	8	245,050	276,028
Gain on disposal of plant, property, and equipment	7	(83,264)	(8,785)
Net exchange difference (Unrealized)	8	667,645	309,345
Net exchange difference (Realized)	8	1,609,954	
Depreciation of investment property	16	919	919
Grant income	7	(474,951)	(200,088)
Amortization of Intangible assets	17	40,358	37,769
Interest income on loans and receivables	11	(36,898)	(3,383)
Interest on other non-current assets	11	(11,730)	(4,034)
Interest income on fixed deposit	11	(25,090)	(1,823)
Finance costs	10	1,222,299	1,333,927
Employee benefit expense	26	20,011	36,838
Amortization of deferred revenue	28	(3,167)	(3,167)
Changes in working capital:			
(Increase)/ decrease in trade and other receivables		(248,595)	532,435
Decrease / (increase) in prepayments		(1,093,514)	(128,842)
(Increase) in inventories		(4,291,199)	(3,405,327)
Increase in government grant		(165,062)	814,602
(Decrease)/increase in other financial liabilities		2,150,000	(65,000)
increase in trade and other payables		2,269,566	914,276
		7,269,934	2,983,838
Income tax paid	13B	(116,039)	(95,465)
Benefits paid	26	(3,958)	(6,390)
Net cash flow from operating activities		7,149,937	2,881,983
Cash flows from investing activities:			
Purchase of property, plant & equipment	14	(2,646,191)	(2,070,861)
Additions to intangible assets	17	(38,550)	(33,563)
Interest received	11	25,090	1,823
Interest on other non-current assets	11	11,730	4,034
Proceeds from sale of property, plant, and equipment		570,166	21,358
Investment in other financial assets	19	-	-
Liquidation of investment in other financial asset	19	-	272,030
Net cash utilised by investing activities		(2,077,755)	(1,805,179)
Cash flows from financing activities:			
Payments of finance lease liabilities		(109,501)	(269,068)
Interest paid on loans & borrowings	10	(1,222,299)	(1,333,927)
Dividend paid	31	(512,590)	(312,939)
Payment of unclaimed dividend	31B	49,278	
Proceed from loans & borrowings	24a	3,500,000	6,768,450
Loan repayment	24a	(5,776,105)	(2,404,163)
Net cash provided by financing activities		(4,071,217)	2,448,353
Net increase/(decrease) in cash and cash equivalents		1,000,966	3,525,155
Net foreign exchange difference		(2,277,599)	(309,345)
Cash and cash equivalents at the beginning of the year		2,973,125	(242,685)
Cash and cash equivalents at the end of the year	23	1,696,492	2,973,125

Notes to the financial statements.

1.0 Corporate information.

The Company was incorporated as a private limited liability Company on 13 March 1995 and commenced business activities on 15 March 1995. The principal activities of the Company include manufacturing and distribution of pharmaceutical products. The Company's shares were quoted the Nigerian Stock Exchange on 5 June 2008. The issued share capital is held as to 38.86% directly by the Directors, 5.74% indirectly by the Directors and 54.94% by the Nigerian Public.

1.1 Composition of the financial statements

The Financial statements are drawn up in Naira, the functional currency of Fidson Healthcare Plc. In accordance with IFRS accounting presentation, the Financial Statements comprise:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash flows
- Notes to the Financial Statements.

1.2 Financial period

These Financial Statements cover the financial year ended 31 December 2021 with comparative amounts for the year ended 31 December 2020.

2.0 Significant accounting policies

2.1 Basis of preparation and measurement

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for certain available-for-sale financial assets which have been measured at fair value. The financial statements are presented in the Nigerian Naira and all values are rounded to the nearest thousands (₦'000), except when otherwise indicated.

2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

Notes to the financial statements.

2.2.1 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sell or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 Fair value measurement

The Company measures some financial instruments and non-financial assets at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 41a.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the financial statements.

2.2.2 Fair value measurement (cont'd)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 42b for fair value hierarchy.

2.2.3 Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised by applying a five-step approach:

- Identify the contract
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when (or as) each performance obligation is

The Company recognises revenue from the following major sources:

- Sale of Ethical Products
- Sale of Over the Counter (OTC) products.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Interest income

For all financial instruments measured at amortised cost, interest income or expense is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

Dividends

Dividends are recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.2.4 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Notes to the financial statements.

2.2.4 Government grants (cont'd)

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy in Note 2.2.12 (ii).

2.2.5 Taxes

Current income tax

The income tax assets or liabilities for the current year are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Companies Income Tax Act (CITA) 2007 at 30% of total profit after deducting capital allowances and loss relief. Education tax is also assessed at 2% of the assessable profits.

Current income tax relating to items recognised outside the profit or loss are recognised outside profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Notes to the financial statements.

2.2.5 Taxes (cont'd)

Deferred tax (cont'd)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that.
- the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax on items recognised in the profit or loss is also recognised in the profit or loss, while deferred tax on items recognised outside the profit or loss is also recognised outside the profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Value Added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of Value Added Tax (VAT), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

2.2.6 Foreign currency transaction

Foreign currency transactions are converted into the functional currency, the Nigerian Naira at the rate of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency interbank rate of exchange ruling at the reporting date in accordance with the Central Bank of Nigeria guidelines. Any exchange gains or losses arising on settlement or translation of monetary items are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Notes to the financial statements.

2.2.7 Property plant and equipment

Property, plant and equipment are stated at cost of purchase or construction, net of accumulated depreciation and/or accumulated impairment loss, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long term projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, such parts are recognised as individual assets with specific useful lives and depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation on the categories of property, plant and equipment is calculated to write off the cost less the residual value of the asset, using the straight-line basis, over the assets' expected useful lives. Land and capital work-in-progress are not depreciated. The attributable cost of each item of capital work-in-progress is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly. The normal expected useful lives for the major categories of property, plant and equipment are:

	Years
Land	Nil
Buildings	50
Plant and machinery	4 to 25
Office equipment	4 to 10
Furniture and fittings	8
Motor vehicles	4 to 6
Capital work-in-progress (WIP)	Nil

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying amounts may not be recoverable.

Impairment losses and reversals of impairment losses are recognised in the profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the financial statements.

2.2.8 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

Notes to the financial statements.

2.2.8 Leases (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as a lessee

Finance leases transfer to the Company substantially all the risks and rewards incidental to ownership of the leased asset.

The assets are measured at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss.

The capital element of assets under finance lease is capitalised along with the Company's property, plant and equipment and depreciated at the same rates for assets of that category, or over the lease term, where the lease term is shorter than the assets' useful lives.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Notes to the financial statements.

2.2.8 Leases (cont'd)

Leases – as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

2.2.9 Borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

2.2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

The investment properties are subject to annual depreciation charge of 2% on a straight-line basis.

If investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. Owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the financial statements

2.2.11 Intangible assets

Product licenses are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Company makes upfront payments to purchase product licences. The product licenses are held on various pharmaceutical products sold by the Company and have licence years that range from 2 to 5 years. The licences may be renewed by the Company at the expiration of the license period.

Intangible assets with finite lives are amortised over the useful economic lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight-line basis to write down the cost of intangible assets to their residual values over their estimated useful lives.

An intangible asset is derecognised on disposal or when no future economic benefit is expected from use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the intangible asset and recognised in the statement of profit or loss when the asset is derecognised

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- It is probable that the asset will generate future economic benefit.
- The availability of resources to complete the asset.

Following the completion of research and development, it is transferred to another asset which is then depreciated, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Licences

The Company made upfront payments to purchase licences. Licences for the use of intellectual property are granted for periods ranging between five and ten years depending on the specific licences.

Notes to the financial statements.

2.2.11 Intangible assets (cont'd)

Trademark

The Company made upfront payments to purchase trademarks. The trademarks have been granted for a period of 5-10 years by the relevant government agency with the option of renewal at the end of this period. Licences for the use of intellectual property are granted for periods ranging between five and ten years.

A summary of the policies applied to the Company's intangible assets is, as follows:

	Licences	Trademarks	Software
Useful lives	Finite (Over 5 years)	Finite (Over 5-10years)	Finite (Over 4 years)
Amortisation method used	Amortised on a straight-line basis over the period of the licence amortisation	Amortised on a straight-line basis over the period of the trademark amortisation	Amortised on a straight-line basis over the period of the software amortisation
Internally generated acquired	Acquired or	Acquired	Acquired

2.2.12 Financial instruments

(i) Financial assets

A financial asset is any asset that is:

- cash.
- an equity instrument of another entity.
- a contractual right to receive cash or another financial asset (e.g., receivables); or
- a contractual right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to GSK (e.g., derivatives resulting in an asset, bonds, and investments)

(ii) Financial liability

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset (e.g., payable); or
- a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company (e.g., payables, loans and derivatives resulting in a liability).

Notes to the financial statements.

2.2.12 Financial instruments (cont'd)

(iii) Amortised cost

Most of Fidson's financial assets and liabilities are measured at amortised cost, including, most trade receivables and trade payables. The amortised cost of a financial asset or financial liability is the amount at which the asset or liability is measured at initial recognition minus principal repayments to date, and minus any reduction for impairment.

If there is a difference between the initial amount and the maturity amount (arising from reasons other than impairment), amortised cost will also be plus or minus the cumulative amortisation using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in profit or loss as finance costs.

(iv) Effective interest method

The effective interest method calculates amortised cost by allocating the interest payment or expense over the relevant period. This calculation only applies if a premium has been paid or a discount received. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When estimating cash flows, all contractual terms are considered but expected future credit losses are not taken into account unless the financial instrument is credit impaired.

(v) Expected credit loss (ECL)

The expected credit loss is the difference between the cash flows due under the contract and the cash flows expected to be received, discounted at the original effective interest rate. An expected credit loss allowance is similar to an impairment provision.

(vi) Expected credit loss allowance

An allowance for expected credit losses (ECLs) on all financial assets measured at amortised cost, e.g. most trade and other receivables, is set up through the Income Statement at initial recognition of the asset. The ECL is deducted from the carrying value of the asset on the balance sheet. Subsequent movements in the ECL (including release of the ECL if the asset is recovered in full) are reported in the Income Statement.

All ECL (impairment) allowances must be reviewed at least quarterly.

In applying the IFRS 9 impairment requirements, an entity needs to apply one of the following approaches:

- The simplified approach, which will be applied to trade receivables.
- The general approach, which will be applied to other receivables, including royalty receivables, and to loan assets and investments in debt securities.

Notes to the financial statements.

2.2.12 Financial instruments (cont'd)

(vi) Expected credit loss allowance (cont'd)

a) The simplified impairment approach

The simplified approach applied to trade receivables requires the recognition of lifetime ECLs at all times. Fidson uses a provision matrix as a practical expedient for determining ECLs on trade receivables, including non-overdue balances. The provision matrix should incorporate forward-looking information into historical customer default rates and, where appropriate, group receivables into customer segments that have similar loss patterns, such as Distributors, Sales representatives, and Institutions.

b) The general impairment approach

Under the general approach, prior to an asset actually being credit-impaired, entities recognise expected credit losses (ECLs) in two stages. For assets for which there has not been a significant increase in credit risk since initial recognition (i.e. 'good' exposures), entities are required to provide for ECLs that would result from default events that are possible within the next 12 months (a 12-month ECL).

For assets for which there has been a significant increase in credit risk since initial recognition, a loss allowance for ECLs expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL), is required. "

Indicators of a significant increase in credit risk include:

- An actual or expected significant change in the financial asset's external or internal credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations, such as an increase in interest rates or a significant increase in unemployment rates;
- An actual or expected significant change in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant change in the debtor's ability to meet its debt obligations, such as a decline in the demand for the debtor's sales product because of a shift in technology;
- Expected changes in the loan documentation (i.e. changes in contract terms) including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group (e.g., an increase in the expected number or extent of delayed contractual payments); and
- Past due information on debtors.

For current assets (expected to be recovered in less than 12 months), there will be no difference between the 12-month ECL and the lifetime ECL.

Notes to the financial statements.

2.2.12 Financial instruments (cont'd)

(vii) Impairment on available-for-sale financial investments

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the year in which the fair value has been below its original cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the profit or loss – is reclassified from equity and to the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognized in other comprehensive income.

(viii) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the financial statements.

2.2.12 Financial instruments (cont'd)

(ix) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(x) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.2.13 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials are stated at purchase cost on the weighted average basis.
- Finished goods and work in progress: Cost in this case consists of direct purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present condition and location. Finished goods are valued using weighted average cost
- Goods in transit are valued at the invoiced price.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2.14 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Notes to the financial statements.

2.2.14 Impairment of non-financial assets (cont'd)

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

2.2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, as shown in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, as shown in the statement of financial position, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognized in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.2.17 Pension and other post-employment benefits

Retirement benefit Schemes

The gratuity scheme is a defined benefit plan. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur. Actuarial gains and losses are not reclassified to the profit or loss in subsequent years.

Notes to the financial statements.

2.2.17 Pension and other post-employment benefits (cont'd)

Pension

The Company operates a defined contribution plan in line with the provisions of the Pension Reform Act 2014 as amended. This plan is in proportion to the services rendered to the Company by the employees with no further obligation on the part of the Company. The Company and its employee contribute 10% and 8% respectively of employees' current salaries and designated allowances to the scheme. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recorded as personnel expenses in the profit or loss.

Past service costs are recognized in the profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs and gains and losses on curtailments
- Net interest expense or income

Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short term cash-bonus plans if the Company has a present and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

2.2.18 Dividends

Dividends on ordinary shares are recognised as a liability when they are approved by the Company's shareholders at the Annual General Meeting. Dividends are recognised, when they are paid. Dividends for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

Notes to the financial statements.

2.2.19 Segment reporting

For management purposes, the Company is organised into business units based on its products and has two reportable segments as follows:

- The over-the-counter segment, which represent the products that may be sold directly to the consumer without a prescription.
- Ethical products segment, which are drugs, injectables and infusion which would be sold to the consumer only on the possession of a valid prescription.
- Consumer segment, which represent household items was introduced in 2016.

No operating segments have been aggregated to form the above reportable operating segments. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and cost of sales. The Executive Management Committee monitors the operating results of the whole business for the purpose of making decisions about resource allocation and performance assessment.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management - Note 43
- Financial risk management and policies - Note 41

3.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments — Company as lessor

The Company has entered commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Notes to the financial statements.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

Retirement benefits

The cost of defined benefit gratuity scheme is determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer to Note 2 for assumptions relating to retirement benefits.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

Available-for-Sale financial instruments

The Company assesses at each reporting date whether there is any objective evidence that the available for sale financial assets is impaired. Available-for-sale financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the Available-for-sale financial assets that can be reliably estimated. The objective evidence the Management relies upon in assessing the Available-for-sale financial assets for impairment includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also seen as an objective evidence of impairment.

Notes to the financial statements.

3.2 Estimates and assumptions (cont'd)

Available-for-Sale financial instruments (cont'd)

The Company judges that the impairment is significant if the fair value declined is between 20% and 30% and prolonged when it is between 9 and 12 months.

When the fair value of available-for-sale financial assets cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 19 on the details of available for sale financial assets.

Property, plant and equipment

The Company carries its property, plant and equipment at cost in the Statement of Financial Position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company reviews the estimated the useful lives and residual values of its property, plant and equipment, and accounts for any changes prospectively. Refer to Note 15 on property plant and equipment.

Allowance for uncollectible accounts receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experience based on the facts and circumstances prevailing as at reporting date. In addition, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management considers them to be uncollectable.

Property, plant and equipment

The Company own a property with dual purpose. The portion not occupied by the Company cannot be separately sold or leased out under a finance lease arrangement. Management believe it occupies a significant portion of the property; hence the whole property has been classified as property, plant & equipment.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended IFRS Standards that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*.

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments is not relevant to the Company given that it does not apply hedge accounting to its benchmark interest rate exposures.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- c) There is no substantive change to other terms and conditions of the lease.

The standard is not applicable to the Company in current financial year as it has not received any rent concessions. The Company has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in the prior period.

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

New and amended IFRS Standards that are effective for the current year (cont'd)

Amendments to References to the Conceptual Framework in IFRS Standards

The Company has adopted the amendments included in *Amendments to References to the Conceptual Framework in IFRS Standards* for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new *Framework*. Not all amendments, however, update those pronouncements with regard to references to and quotes from the *Framework* so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the *Framework* they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. The amendments to IFRS 3 is not applicable to the Company in the current year, there was no acquisition.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of 'material' or refer to the term 'material' to ensure consistency. The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

New and revised IFRS Standards in issue but not yet effective

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued *Amendments to IFRS 17* to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued *Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)* that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the financial statements in future periods should such transactions arise.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018–2020

The *Annual Improvements* include amendments to four Standards. IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Notes to the financial statements.

5	Revenue	Dec-21	Dec-20
		₦'000	₦'000
	Sales of goods		
	Consumer Healthcare (Toll Manufacturing)	117,366	-
	Ethical	20,109,605	10,672,684
	Over The Counter (OTC)	10,633,846	7,603,172
		<u>30,860,817</u>	<u>18,275,856</u>

Revenue represents total value of goods invoiced to third parties locally.

6	Cost of sales	Dec-21	Dec-20
		₦'000	₦'000
	Consumer Healthcare (Toll Manufacturing)	72,499	-
	Ethical	7,952,280	4,827,129
	Over The Counter (OTC)	5,453,662	3,354,446
	Depreciation of factory PPE (Note 8a)	569,922	499,496
	Energy	549,226	317,563
	Personnel Cost	625,483	418,157
	Other Factory Overheads	534,710	277,725
		<u>15,757,782</u>	<u>9,694,516</u>

7	Other operating income	Dec-21	Dec-20
		₦'000	₦'000
	Amortization of government grant	474,951	200,088
	Other operating income	5,763	10,926
	Gain on disposal of property, plant and equipment	83,264	8,785
	Rental income	3,167	3,167
	Sale of scrap	29,407	47,741
	Toll Manufacturing Income	-	79,038
		<u>596,552</u>	<u>349,745</u>

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Notes to the financial statements.

8	Administrative expenses	Dec-21	Dec-20
		₦'000	₦'000
	Association and Membership	12,940	9,613
	Audit fee	14,000	14,000
	Conferences and Workshop	3,209	1,770
	Consultancy fees	120,161	128,268
	Corporate social responsibility	113,930	58,371
	Depreciation and amortization (Note 8a)	231,313	314,538
	Diesel and fuel	60,116	47,812
	Impairment of receivables (Note 21a)	245,050	276,028
	Insurance	110,510	99,380
	Legal	10,558	12,858
	Office supplies	25,929	17,645
	AGM Expenses	4,656	3,659
	Directors' expenses (Non-Executives)	47,290	27,368
	Bank administrative fee	154,366	52,646
	Newspapers and periodicals	6	124
	Personnel costs (Note 8b)	1,936,207	1,531,459
	Printing & stationery	115,741	24,611
	Repairs and maintenance	303,325	352,255
	Outsourced Cleaning and Security Expenses	45,512	36,475
	Telephone & postage	53,351	38,863
	Training	40,652	17,733
	Travelling and Entertainment	198,380	183,682
	Permit and Dues	87,765	29,045
	Auxiliary materials & Tools	115,531	96,294
	Canteen expenses	87,982	50,217
	Exchange loss (Realized)	1,609,954	-
	Exchange loss (Unrealized)	667,645	309,345
		<u>6,416,079</u>	<u>3,734,059</u>
		<u>6,416,079</u>	<u>3,734,059</u>
8a	Depreciation and amortization		
	Depreciation of property, plant and equipment (Note 14)	654,108	668,435
	Depreciation of Rights of use assets (Note 15)	105,850	106,911
	Depreciation of property, plant and equipment included in cost of sales (Note 6)	(569,922)	(499,496)
		<u>190,036</u>	<u>275,850</u>
	Depreciation of investment property (Note 16)	919	919
	Amortization of intangible assets (Note 17)	40,358	37,769
		<u>231,313</u>	<u>314,538</u>
		<u>231,313</u>	<u>314,538</u>
8b	Personnel costs		
	Gratuity	20,011	36,838
	Pension cost	56,331	47,322
	Salary and wages	1,859,865	1,447,299
		<u>1,936,207</u>	<u>1,531,459</u>
		<u>1,936,207</u>	<u>1,531,459</u>
9	Selling and distribution expenses		
	Promotion and advertisement	663,261	340,986
	Sales expenses	2,758,022	1,758,551
		<u>3,421,283</u>	<u>2,099,537</u>
		<u>3,421,283</u>	<u>2,099,537</u>

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10	Finance cost	Dec-21	Dec-20
		₦'000	₦'000
	Interest on bank loans	1,183,768	1,248,601
	Interest on finance lease	38,531	85,326
		<u>1,222,299</u>	<u>1,333,927</u>
11	Finance income		
	Interest earned on loans and receivables	36,898	3,383
	Interest earned on other non-current financial asset	15,730	4,034
	Interest on fixed deposit	25,090	1,823
		<u>77,718</u>	<u>9,240</u>
12	Profit before tax		
	This is stated after charging:		
	Amortization of intangibles (Note 17)	40,358	37,769
	Audit fee	14,000	14,000
	Depreciation of property, plant and equipment (Note 14)	654,108	668,435
	Depreciation of right of use assets (Note 15)	105,850	106,911
	Depreciation of investment property (Note 16)	919	919
	Gain/loss on disposal of PPE	83,264	8,785
	Personnel costs	1,936,207	1,531,459
	Exchange gain/loss	2,277,599	309,345
13	Taxation		
13a	Income tax expense		
	The major components of income tax expense for the year ended 31 December 2021:		
	Current income tax:	Dec-21	Dec-20
		₦'000	₦'000
	Current year income tax charge	1,221,532	46,042
	Current education tax charge	153,450	69,996
	Total current tax	<u>1,374,982</u>	<u>116,038</u>
	Deferred tax		
	Relating to origination of temporary differences	(377,251)	451,725
	Total income tax expense reported in the profit or loss	<u>997,731</u>	<u>567,763</u>
	Reconciliation of tax charge:		
	Profit before tax	<u>4,717,644</u>	<u>1,772,802</u>
	Tax at Nigerian statutory income tax rate of 30%	1,415,293	531,841
	Disallowable expenses	(155,718)	(458,134)
	Income exempted from tax	(83,264)	(8,785)
	Education tax @ 2% of assessable profit	153,450	35,456
	Investment allowance	45,221	15,660
	Effect of deferred tax balance	<u>(377,251)</u>	<u>451,725</u>
		<u>997,731</u>	<u>567,763</u>
	Effective tax rate	21%	32%

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	Dec-21	Dec-20
	₦'000	₦'000
13b. Income tax payable		
Current tax payable		
At 1 January	120,424	99,851
Charge for the year	1,374,982	116,038
Payments during the year	(116,039)	(95,465)
At 31 December	<u><u>1,379,367</u></u>	<u><u>120,424</u></u>
13c. Deferred tax liability		
At 1 January	1,548,311	1,085,534
Amounts recorded in profit or loss	(377,252)	451,726
Amounts recorded in other comprehensive income	6,004	11,051
At 31 December	<u><u>1,177,063</u></u>	<u><u>1,548,311</u></u>
Deferred tax recognised in other comprehensive income:		
Re-measurement gain on defined benefit plan	6,004	11,051
Total deferred tax recognised in Other Comprehensive	<u><u>6,004</u></u>	<u><u>11,051</u></u>

Notes to the financial statements.

13c. Deferred tax liability (cont'd)

13c

2021	Opening balance N'000	Recognised in profit or loss N'000	Recognised in OCI N'000	Closing balance N'000
<i>Deferred tax assets /(liabilities) in relation to:</i>				
Property, plant & equipment	1,819,921	(27,914)	-	1,792,007
Employee benefit	(143,293)	(143,293)	-	(286,586)
Impairment of trade receivables	(80,496)	(92,910)	-	(173,406)
Unrealised exchange loss	(98,990)	(102,083)	-	(201,073)
Unutilised capital allowance	11,051	(11,051)	6,004	6,004
Impairment on Inventory	40,118	-	-	40,118
	1,548,311	(377,251)	6,004	1,177,062
2020	Opening balance N'000	Recognised in profit or loss N'000	Recognised in OCI N'000	Closing balance N'000
<i>Deferred tax assets /(liabilities) in relation to:</i>				
Property, plant & equipment	1,079,096	740,825	-	1,819,921
Employee benefit	(22,423)	(120,870)	-	(143,293)
Impairment of trade receivables	12,414	(92,910)	-	(80,496)
Unrealised exchange loss	3,093	(102,083)	-	(98,990)
Unutilised capital allowance	13,354	(13,354)	11,051	11,051
impairment on inventory	-	40,118	-	40,118
	1,085,534	451,725	11,051	1,548,310

Notes to the financial statements

14 Property, plant and equipment

COST:	LAND	BUILDING	MOTOR VEHICLES	OFFICE EQUIPMENT	PLANT & MACHINERY	FURNITURE & FITTINGS	CONSTRUCTION	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	706,953	8,566,089	851,279	907,423	3,477,321	226,618	587,581	15,323,264
Additions	86,300	230,877	296,914	96,682	143,724	3,504	1,212,860	2,070,861
Disposals	-	-	(219,355)	-	(798)	-	(349,961)	(220,153)
Transfer out	-	337,082	-	-	12,879	-	-	-
At 31 December 2020	793,253	9,134,048	928,838	1,004,105	3,633,126	230,122	1,450,480	17,173,972
Additions	-	-	231,813	104,779	128,072	10,089	2,171,439	2,646,191
Disposals	(89,723)	(202,627)	(228,507)	(198,624)	(516,669)	(29,146)	-	(1,265,295)
Reclassification	79,556	(79,556)	-	-	-	-	-	-
Adjustment/Transfers	-	38,403	170,479	30,821	324,139	7,171	(571,013)	-
As at 31 December 2021	783,086	8,890,268	1,102,623	941,081	3,568,668	218,236	3,050,906	18,554,868
DEPRECIATION:								
At 1 January 2020	-	799,873	684,996	649,772	1,061,133	130,606	-	3,326,380
Charge for the year	-	167,800	65,805	168,332	251,811	14,686	-	668,434
Transfer out	-	-	-	-	-	-	-	-
Disposal	-	-	(208,383)	-	(269)	-	-	(208,652)
At 31 December 2020	-	967,673	542,418	818,104	1,312,675	145,292	-	3,786,162
Charge for the year	-	164,260	136,738	69,236	269,245	14,630	-	654,109
Transfer out	-	-	-	-	-	-	-	-
Disposal	-	(45,706)	(215,579)	(186,095)	(303,537)	(27,480)	-	(778,397)
As at 31 December 2021	-	1,086,227	463,577	701,245	1,278,383	132,442	-	3,661,874
CARRYING AMOUNT:								
At 31 December 2021	783,086	7,804,040	639,046	239,836	2,290,285	85,794	3,050,906	14,892,994
At 31 DECEMBER 2020	793,253	8,166,375	386,420	186,001	2,320,451	84,830	1,450,480	13,387,810

Notes to the financial statements

14.0 Property, plant and equipment- (cont'd)

- 14.1** This represents reclassification from capital work in progress to plant and machinery
- 14.2** This represents reclassification from property plant and equipment to right of use assets in line with IFRS 16.
- 14.3** Finance Lease – the carrying value of property, plant and equipment held under finance lease at 31 December 2021 was motor vehicles N100.59million, plant & machinery N385.67million (31 December 2020 motor vehicle N173.05million, plant & machinery N422.14million).
- 14.4** The company's assets have been pledged as security for bank borrowings to the tune of the outstanding balance of total borrowings outside the Company at the reporting date (See Note 24). The company is not allowed to pledge or sell these assets as security for other borrowings or sell them to another entity.

15 Right of Use Assets

COST:	MOTOR VEHICLES N'000	PLANT & MACHINERY N'000	TOTAL N'000
At 1 January 2020	370,529	476,928	847,457
Additions	-	-	-
Disposals	(4,289)	-	(4,289)
At 1 January 2021	366,240	476,928	843,168
Additions	-	-	-
Disposals	(6,437)	-	(6,437)
At 31 December 2021	359,804	476,928	836,732
ACCUMULATED DEPRECIATION:			
At 1 January 2020	125,956	18,319	144,275
Charge for the year	70,443	36,468	106,911
Disposal	(3,212)	-	(3,212)
At 1 January 2021	193,187	54,787	247,974
Charge for the year	69,382	36,468	105,850
Disposal	(3,363)	-	(3,363)
At 31 December 2021	259,206	91,255	350,461
CARRYING AMOUNT:			
At 31 December 2021	100,598	385,673	486,271
At 31 December 2020	173,053	422,141	595,194

The company leases motor vehicles and Plant & Machinery. The average lease term is 5 years.

Approximately N268.47m of the leases for the company expired in the current financial year.

Notes to the financial statements

15.1	Amounts recognised in profit or loss	Dec-21	Dec-20
		₦'000	₦'000
	Depreciation expense on right of use assets	105,850	106,911
	Interest expenses on lease liabilities	38,531	85,326
		<u>38,531</u>	<u>85,326</u>

There are no indications of impairment of right of use assets.

16.0	Investment Property	Dec-21	Dec-20
		₦'000	₦'000
	Cost		
	At 1 January	48,376	48,376
	At 31 December	<u>48,376</u>	<u>48,376</u>
	Accumulated depreciation		
	At 1 January	15,634	14,715
	Charge for the year	919	919
	At 31 December	16,553	15,634
	Carrying amount	<u>31,823</u>	<u>32,742</u>

The only investment property held by Fidson Healthcare Plc is the premises used by Ecomed. The rental commenced in June 2010. The fair Value as at 31 December 2021 N31million (N23million 2020)

	Dec-21	Dec-20
	₦'000	₦'000
Rental income derived from investment property	3,167	6,000
	<u>3,167</u>	<u>6,000</u>

The company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Notes to the financial statements

17.0 Intangible assets

Product licenses	Dec-21	Dec-20
	N'000	N'000
Cost:		
At 1 January	276,729	243,166
Additions	38,550	33,563
At 31 December	<u>315,279</u>	<u>276,729</u>
Amortization		
At 1 January	253,199	215,430
Charge for the year	40,358	37,769
At 31 December	<u>293,557</u>	<u>253,199</u>
Carrying amount	<u>21,722</u>	<u>23,530</u>

The product licenses are intangible assets with finite life and are amortized in line with the provisions of IAS 38. The intangible assets are tested for impairment when there are indicators of impairment in line with the provisions of IAS 36, by comparing the recoverable amount with the carrying amount at the end of the reporting period. There were no indicators of impairment during the year.

18 Financial assets

The company's financial instruments are summarised by categories as follows:

	Dec-21	Dec-20
	N'000	N'000
Available-for-sale financial assets (18a)	5,030	4,960
Loans and receivables (18b)	<u>14,027</u>	<u>12,871</u>
Total financial instruments	<u>19,057</u>	<u>17,831</u>

18a Available-for-sale financial assets

Quoted equity at fair value (Zenith Bank Plc)		
At 1 January	4,960	3,720
Gain/(Loss)	<u>70</u>	<u>1,240</u>
At 31 December	<u>5,030</u>	<u>4,960</u>

The Company recognised a fair value gain of N70,000 (2020: N1,240,000) on available for sale quoted equity. The gain is recognised in other comprehensive income.

Notes to the financial statements

18b Loans and receivables	Dec-21	Dec-20
	₦'000	₦'000
Investment with Cardinal Stone Partners		
At 1 January	11,190	10,172
Additions	-	-
Drawdown	-	-
Interest accrued	1,114	1,018
Sinking Fund	1,723	1,681
	<u>14,027</u>	<u>12,871</u>
At 31 December	<u>14,027</u>	<u>12,871</u>

CardinalStone Partners Limited is the portfolio management and custodial service provider for the Company.

19 Other non –current financial asset	Dec-21	Dec-20
	₦'000	₦'000
ALM Trustees		
At 1 January	171,673	441,337
Additions	-	-
Drawdown	-	(272,030)
Accrued interest	1,489	2,366
	<u>173,162</u>	<u>171,673</u>
At 31 December	<u>173,162</u>	<u>171,673</u>

The amount which resides with ALM Trustee is an investment in a Perfection Reserve Account equal to 100% of the officially accessed cost of stamping and registration of the Company's Security structure.

Notes to the financial statements

		Dec-21 N'000	Dec-20 N'000
20	Inventories		
	Finished goods	2,984,379	2,385,032
	Goods-in-transit	5,095,948	2,558,967
	Raw and Packaging materials	2,830,290	1,746,349
	Work- in- progress	71,300	44,845
	Engineering spare parts	119,548	102,580
	Promotional and Other Consumable Materials	128,862	68,361
		11,230,327	6,906,134
	Total inventory Impaired (Note 20a)	(75,792)	(125,368)
		11,154,535	6,780,766

		Dec-21 N'000	Dec-20 N'000
20a	Impairment on Inventories		
	At 1 January	(125,368)	(37,201)
	Addition	-	(88,167)
	Write off	49,576	-
	At 31 December	(75,792)	(125,368)

The Company did not pledge any inventory as collateral for loans. There was no inventory write down in the year under review.

		Dec-21 N'000	Dec-20 N'000
21	Trade and other receivables		
	Trade receivables (Note 21b)	2,430,857	2,447,263
	Impairment Loss	(182,070)	(270,271)
		2,248,787	2,176,992
	Other receivables (Note 21c)	731,080	554,280
		2,979,867	2,731,272

Other receivables relate to withholding tax, value added tax receivables and staff advances. These are not interest bearing and repayment is within 1 year.

Trade receivables meet the definition of financial asset and the carrying amount of the trade receivables approximates their fair value. Trade receivables are expected to be fully collected within 1 year.

Notes to the financial statements

21 Trade and other receivables (cont'd)

The company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position adjusted for factors that are specific to the debtors' general economic conditions of the industry in which the debtor operate and an amendment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumption made during the current reporting period.

The company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the bad receivables are over two years past due, whichever occurs earlier.

Trade receivables amounting to N335million were written off in the year.

Notes to the financial statements

21a. As at 31 December 2021, the ageing analysis of trade receivables is as follows:

SUMMARY AGED RECEIVABLES AS AT 31/12/2021		1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-240 Days	240-360 Days	Above 360 Days	Balance
	Estimated total gross carrying amount at default	210,017,753.28	661,688,804.35	25,358,377.28	8,135,478.77	1,985,595.22	3,439,798.99	32,264,622.86	942,890,321
DISTRIBUTORS	HISTORICAL LOSS RATE	0.34%	0.77%	1.88%	1.48%	2.92%	4.24%	11.74%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	
	Expected credit loss (ECL) rate	0.37%	0.80%	1.51%	1.99%	2.95%	4.27%	11.77%	
	Lifetime Expected credit loss	781,550.35	5,261,145.68	382,331.20	162,003.59	58,567.01	146,732.75	3,796,893.49	30,589,224
	Estimated total gross carrying amount at default	132,243,030	559,212,580	213,546,442	90,321,464	149,557,232	59,740,271	145,290,550	1,349,911,570
INSTITUTIONS	HISTORICAL LOSS RATE	1.00%	4.19%	5.93%	7.28%	9.60%	17.08%	26.04%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	
	Expected credit loss (ECL) rate	1.03%	4.22%	5.96%	7.31%	9.63%	17.11%	26.07%	
	Lifetime Expected credit loss	1,358,537.86	22,622,462.57	12,718,968.52	6,601,623.48	14,408,901.32	10,220,058.89	37,871,595.08	106,802,148
	Estimated total gross carrying amount at default	12,066,910	75,845,525	10,515,110	3,282,935	2,450,151	1,837,983	18,414,919	124,413,533
REPS	HISTORICAL LOSS RATE	1.23%	16.61%	21.42%	27.03%	32.22%	41.70%	52.45%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	
	Expected credit loss (ECL) rate	1.26%	16.64%	21.45%	27.06%	32.25%	41.73%	52.48%	
	Lifetime Expected credit loss	152,594.74	12,621,494.03	2,255,111.70	888,548.88	790,130.50	767,050.84	9,663,247.51	27,137,978
	Estimated total gross carrying amount at default	0	0	0	0	0	0	0	0
GOVT BUS	HISTORICAL LOSS RATE	64.40%	64.40%	64.40%	64.40%	64.40%	64.40%	32.20%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	
	Expected credit loss (ECL) rate	65.28%	65.28%	65.28%	65.28%	65.28%	65.28%	33.08%	
	Lifetime Expected credit loss	-	-	-	-	-	-	-	0
	Estimated total gross carrying amount at default	0	3,975,794.58	0	0	0	0	9,665,206.3	13,641,001
EXITED STAFF	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	3,975,794.58	-	-	-	-	9,665,206.28	13,641,000.86
	Total gross carrying amount at default		1,300,722,703.57	249,419,879.48	101,739,878.67	153,992,978.43	65,018,053.17	205,635,237.83	2,430,856,424.41
	Impaired item from staff loan and Other Debtors							23,899,311.64	23,899,311.64
2020 SUMMARY	Total lifetime expected credit loss	2,292,682.94	45,480,896.86	15,356,411.42	7,651,975.95	15,257,598.82	11,133,842.48	84,896,254.01	182,069,662.47
	Net Receivables	352,035,010.32	1,255,241,806.71	234,063,468.06	94,087,902.72	138,735,379.61	53,884,210.69	120,738,983.82	2,248,786,761.94

Notes to the financial statements

21a. As at 31 December 2020, the ageing analysis of trade receivables is as follows:

	EXPECTED CREDIT LOSS AS AT 31/12/20									
	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-240 Days	240-360 Days	Above 360 Days	Balance		
	Estimated total gross carrying amount at default	90,679,710	606,582,470	157,672,620	19,973,064	26,824,376	8,502,423	88,643,019	998,877,683	
	HISTORICAL LOSS RATE	0.07%	0.53%	1.24%	1.70%	2.64%	3.68%	8.58%		
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%		
	Expected credit loss (ECL) rate	0.79%	1.25%	1.96%	2.42%	3.36%	4.40%	9.30%		
	Lifetime Expected credit loss	714,681,39	7,599,169,78	3,094,882,73	483,835,67	902,516,94	374,127,64	8,242,861,80	21,412,076	
DISTRIBUTORS	Estimated total gross carrying amount at default	55,128,353	278,194,410	168,494,346	140,350,072	194,369,268	119,447,583	217,849,559	1,173,833,592	
	HISTORICAL LOSS RATE	0.96%	4.16%	5.92%	7.28%	9.61%	16.96%	25.19%		
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%		
	Expected credit loss (ECL) rate	1.68%	4.88%	6.64%	8.00%	10.33%	17.68%	25.91%		
	Lifetime Expected credit loss	926,469,62	13,563,483,23	11,182,829,53	11,223,724,84	20,070,082,14	21,120,399,79	56,438,084,12	134,525,073	
INSTITUTIONS	Estimated total gross carrying amount at default	8,410,707	79,705,922	15,573,625	7,484,631	4,892,344	5,560,399	29,795,065	151,422,693	
	HISTORICAL LOSS RATE	0.74%	18.09%	24.21%	30.55%	35.87%	45.31%	55.77%		
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%		
	Expected credit loss (ECL) rate	1.46%	18.81%	24.93%	31.27%	36.59%	46.03%	56.49%		
	Lifetime Expected credit loss	122,594,63	14,992,870,27	3,883,101,51	2,340,724,57	1,790,298,42	2,559,513,87	16,829,796,93	42,518,900	
REPS	Estimated total gross carrying amount at default	0	0	0	0	0	0	111,758,807	111,758,807	
	HISTORICAL LOSS RATE	32.20%	24.21%	30.55%	35.87%	45.31%	55.77%	50.00%		
	FORWARD LOOKING INFORMATION (INFLATION RATE)	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%		
	Expected credit loss (ECL) rate	18.81%	24.93%	31.27%	36.59%	46.03%	56.49%	50.72%		
	Lifetime Expected credit loss	-	-	-	-	-	-	56,684,536.93	56,684,537	
GOVERNMENT BUSINESS	Estimated total gross carrying amount at default	-	-	-	17,685,099.00	-	0	0	17,685,099	
	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%		
EXITED STAFF	Lifetime Expected credit loss	-	-	-	17,685,099.00	-	-	-	17,685,099.00	
	Total gross carrying amount at default	154,218,771.30	964,482,801.31	341,740,591.08	185,492,866.52	226,085,988.12	133,510,405.55	448,046,450.12	2,453,577,874.00	(3,760,419.00)
	Impaired item from other debtors	-	-	-	-	-	-	-	-	
2020	Total lifetime expected credit loss	1,763,745.65	36,155,523.27	18,160,813.77	31,733,384.08	22,762,897.51	24,054,041.29	138,195,279.77	272,825,685.34	
SUMMARY	Net Receivables	152,455,025.65	928,327,278.04	323,579,777.31	153,759,482.44	203,323,090.61	109,456,364.26	309,851,170.35	2,176,991,769.66	

Notes to the financial statements

- 21b** As at 31 December 2021, trade receivables of an initial value of ₦182million (2020: ₦272million) were impaired and provided for. See below for the movements in the provision for impairment of trade receivables.

	Individually impaired '₦000	Total '₦000
At 1 January 2021	272,825	272,825
Addition	245,050	245,050
Write off of trade receivables	<u>(335,806)</u>	<u>(335,806)</u>
At 31 December 2021	<u>182,069</u>	<u>182,069</u>
At 1 January 2020	522,666	522,666
Addition	270,271	270,271
Write off of trade receivables	(384,266)	(384,266)
Write off of WHT receivables	<u>(135,846)</u>	<u>(135,846)</u>
At 31 December 2020	<u>272,825</u>	<u>272,825</u>

Notes to the financial statements

21c. Other receivables	Dec-21	Dec-20
	₦'000	₦'000
Withholding tax receivables (WHT)	160,802	142,363
Staff advances and other debtors	570,278	411,917
	<u>731,080</u>	<u>554,280</u>
22 Prepayments	Dec-21	Dec-20
	₦'000	₦'000
Advance to suppliers	1,233,255	217,636
Other prepayments	156,570	78,676
	<u>1,389,825</u>	<u>296,312</u>

This represents advances made to suppliers for the purchase of factory raw and packaging materials. Other prepayments include prepaid advert, prepaid insurance, and prepaid rent. Prepaid rent relates to rental paid for warehouses.

23 Cash and cash equivalents	Dec-21	Dec-20
	₦'000	₦'000
Bank balances	1,108,756	2,772,628
Cash at hand	4,740	4,817
Short-term deposits (including demand and time deposits)	842,658	427,909
	<u>1,956,154</u>	<u>3,205,354</u>

Short-term deposits are made for varying years of between one day and three months, depending on the immediate cash requirements of the Company and weighted average interest rate is at 9.57%.

For the purpose of cash flows, cash and cash equivalents consist of:

	Dec-21	Dec-20
	₦'000	₦'000
Bank overdraft	(259,662)	(232,229)
Cash and cash equivalents	1,956,154	3,205,354
	<u>1,696,492</u>	<u>2,973,125</u>

Bank overdraft represents the outstanding commitment on short-term borrowings for working capital management. The bank overdrafts are secured against mortgage debenture held by a trustee. The lenders are Access Bank, Guaranty Trust Bank, FCMB, Fidelity and FSDH. The interest on the overdraft ranges from 13– 16%.

Cash at banks in some classified account (e.g Call accounts, DSRA account and others) earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Notes to the financial statements

24	Interest Bearing Loans and borrowings	Dec-21	Dec-20
		₦'000	₦'000
	(Non-current portion)		
	Bank of Industry ('BOI') (24f)	1,646,403	-
	First City Monument Bank - RSSF (24c)	61,947	382,168
	Bank of Industry ('BOI') 3 (Note 24b)	-	268,274
	Bank of Industry ('BOI') 4 (Note 24b)	632,032	597,465
	CBN DCRR/FCMB-working Capital (Note 24d)	-	316,494
	NEXIM/Fidelity-Capex (Note 24e)	950,240	1,155,125
	CBN DCRR/FCMB-Capex (Note 24d)	1,513,502	1,331,157
	NEXIM/Fidelity-working capital (24e)	1,406,605	-
		6,210,729	4,050,683
	(Current portion)		
	Bank of Industry ('BOI') (24f)	33,333	-
	First City Monument Bank - RSSF (24c)	333,333	456,127
	Bank of Industry ('BOI') 3 (Note 24b)	-	628,304
	Bank of Industry ('BOI') 4 (Note 24b)	166,667	292,383
	CBN DCRR/FCMB-working Capital (Note 24d)	484,835	137,894
	CBN DCRR/FCMB-Capex (Note 24d)	400,000	149,990
	CBN/DCRR/FCMB - CAPEX	178,304	-
	Short term borrowings (Note 2g)	603,647	4,971,570
		2,200,119	6,636,268
	Total	8,410,848	10,686,951
24a	Reconciliation of interest bearing loans		
	At 1 January	10,686,952	6,322,665
	Interest expense	1,183,768	1,249,193
	Additions	3,500,000	6,768,450
	Principal repayment	(5,776,105)	(2,404,163)
	Interest paid	(1,183,768)	(1,249,193)
		8,410,847	10,686,952

24b The BOI loan is a N2billion loan granted in two tranches of N1bn each. The first N1bn granted at 10% for 84 months for capital expenditure while the other N1bn granted at 15% for 42 months to augments working capital.

A fair value of the loan was obtained using estimated market rate of 18%. The difference between the loan rate and market rate accounted for a grant element of N221.2m. This was recognised as government grant and will be recognised in profit or loss over the duration of the loan. The loan was granted in 2019 with a moratorium of 1 year.

The moratorium on principal repayment of BOI loan 3 and 4 has been extended by one year, this is to cushion the effect of the covid pandemic,2% reduction in interest rate was also granted until March 31, 2021.The working capital loan has been paid off.

Notes to the financial statements

24c RSSF loan is a N1.5billion Central Bank of Nigeria (CBN) Real Sector Support Facility granted to Fidson Healthcare Plc at 9% for 60 months. A fair value of the loan was obtained using estimated market rate of 17%. The difference between the loan rate and market rate accounted for a grant element of N213m which has been recognised as government grant and will be recognised over the duration of the loan. The loan was granted in 2018 for the acquisition of Gas Generators and other pharmaceutical machinery for the factory. The interest on RSSF loan was reduced to 5% for a period of one year to cushion the effect of pandemic.

24d FCMB loan is a N2.5billion Central Bank of Nigeria (CBN) Real Sector Support Facility-Differentiated Cash Reserve Requirement granted to Fidson Healthcare PLC for 84 months. The principal and interest shall be in twenty equal instalment and the interest shall be 9% per annum, however the CBN concessionary rate of 5% will apply till February 28, 2021. In addition the moratorium period for principal repayment has been extended further by another one year till 2022.

24e Nexim Loan is a N3billion Nigerian Export-Import bank loan under the direct leading scheme to Fidson healthcare PLC at the rate of 9% per annum.

The loan was disbursed in two equal instalments, N1.5billion for equipment finance and the other for working capital utilization. The first instalment was disbursed in December 2020 while the last instalment was disbursed in February 2021.

24f Short-term borrowings above are current and are expected to be settled within 12 months of the reporting date. The loan is from Guaranty Trust Bank, Access Bank and First City monument Bank with an Interest rate of 20%. The security on the borrowing is a tripartite legal mortgage over the property.

The carrying value of short-term borrowings approximates their fair value due to the short-term nature and the fact that there were no material movement in market rates since the inception the loans

Breakdown of Note 24f

	Dec-21	Dec-20
	₦'000	₦'000
GTB- Import Finance Facility	-	-
Access- Import Finance Facility	-	50,061
FCMB -Bankers' Acceptance	307,042	598,813
FSDH - Import Finance Facility	281,973	303,407
Fidelity - Import Finance Facility	-	389,779
Short Term Loans - Others	-	667,000
Wema LC Account	-	975,527
Union Bank LC Account	14,632	206,764
Zenith Bank LC	-	39,396
Coronation Bank LC	-	1,396,026
Fidelity Bank LC Account	-	81,610
Access Bank LC Account	-	263,187
	603,647	4,971,570

Notes to the financial statements

25 Obligation under finance lease

The company has entered into commercial leases on certain motor vehicles. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

25a Maturity analysis

	Dec-21	Dec-20
	₦'000	₦'000
year 1	111,600	130,687
Year 2	62,216	120,674
Year 3	-	68,827
	<u>173,816</u>	<u>320,188</u>
	<u>(22,876)</u>	<u>(59,747)</u>
Less Unearned Interest	<u>150,940</u>	<u>260,441</u>
Analysed as		
Current	87,350	95,982
Noncurrent	63,590	164,459
	<u>150,940</u>	<u>260,441</u>

26 Retirement benefit obligation

	Dec-21	Dec-20
	₦'000	₦'000
Net benefit expense (recognised in administrative expenses)	<u>20,011</u>	<u>36,838</u>
Interest cost on benefit obligation	20,011	36,838
Net benefit expense	20,011	36,838
Defined benefit liability	<u>268,185</u>	<u>447,792</u>

The actuarial valuation was carried out by Ernest & young FRC/2012/NAS/00000000738 Changes in the present value of the defined benefit obligation are as follows:

Changes in the present value of the defined benefit obligation are as follows:

	Dec-21	Dec-20
	₦'000	₦'000
Defined benefit liability at 1 January	272,143	278,533
Interest cost	20,011	36,838
Benefits paid	(3,958)	(6,390)
Re-measurement gain on obligation (Experience adjustment)	<u>(20,011)</u>	<u>(36,838)</u>
	268,185	272,143
Executive gratuity	<u>-</u>	<u>175,649</u>
	<u>268,185</u>	<u>447,792</u>

Notes to the financial statements

26 Retirement benefit obligation (cont'd)

The valuation assumptions used in determining retirement benefit obligations for the plans are shown below:

Financial Assumptions

(Long Term Average)

	2021	2020
	%	%
Discount Rate (p.a)	13	7.50
Average Pay Increase (p.a)	N/A	N/A
Average Rate of Inflation (p.a)	13	8.0
Rate of future Interest Credit (p.a)	12	12.00

Sensitivity Analysis on Accrued Liability

2021		Accrued Liability
		₦'000
Base		268,185
Discount rate	+1%	268,185
Discount rate	-1%	268,185
Age rated up to 1 year		268,185
Mortality rate		268,185
Age rated down by 1 year		268,185
2020		Accrued Liability
		₦'000
Base		272,144
Discount rate	+1%	272,144
Discount rate	-1%	272,144
Age rated up to 1 year		272,144
Mortality rate		272,144
Age rated down by 1 year		272,144

Demographic Assumptions

Mortality in Service

(Sample Ages)	Number of deaths in the year out of 10,000 lives	
	2021	2020
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
Withdrawal from Service (Age Band)		
	2021	2020
	%	%
Less than or equal to 30	7.5	7.5
31 – 39	6.0	6.0
40 – 44	5.0	5.0
45 – 60	3.0	3.0

Notes to the financial statements

26 Retirement benefit obligation (cont'd)

The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme.

The company has a medium-term strategy of increasing salaries to reflect inflation, the actuaries prudently allowed for 1% margin for 2021.

The mortality base table used for the scheme is A67/70 Ultimate Tables, published jointly by the Institute and Faculty of actuaries in the United Kingdom.

The table below shows the maturity profile of defined benefit obligation:

	2021	2020
	₦'000	₦'000
Within the next 12 months (next annual reporting period)	15,582	10,664
Between 2 and 5 years	119,281	107,837
Between 5 and 10 years	362,684	242,563
Beyond 10 years	251,644	138,014
	<u>749,191</u>	<u>499,078</u>

The weighted average duration of the defined benefit plan obligation is 6.93 years. (7.49 years in 2021)

27 Government grant

	Dec-21	Dec-20
	₦'000	₦'000
At 1 January	1,182,477	367,875
Additions	168,809	1,014,690
Released to profit or loss	(333,871)	(200,088)
	<u>1,017,415</u>	<u>1,182,477</u>
Current	356,651	244,229
Non-current	660,764	938,248
	<u>1,017,415</u>	<u>1,182,477</u>

This represents the grant elements of the Central Bank of Nigeria intervention loans, after the loans were re-measured using the effective interest rate. The government grants have been recognised in the statement of financial position and are being amortised through the profit or loss on a systematic basis over the tenure of the loans.

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28	Deferred revenue	Dec-21	Dec-20
		₦'000	₦'000
	At 1 January	7,917	11,084
	Addition	-	-
	Released to the profit or loss	<u>(3,167)</u>	<u>(3,167)</u>
	At 31 December	<u>4,750</u>	<u>7,917</u>
	Current	3,167	3,168
	Non-current	<u>1,583</u>	<u>4,749</u>
		<u>4,750</u>	<u>7,917</u>

This represents deferred rental income from an insignificant portion of the Company's building held to earn rentals.

29	Trade and other payables	Dec-21	Dec-20
		₦'000	₦'000
	Trade payables	1,773,060	866,760
	Accruals	1,283,684	845,369
	Other payables (Note 29a)	<u>1,390,386</u>	<u>465,439</u>
		<u>4,447,130</u>	<u>2,177,568</u>

29a.	Other payables		
	Other creditors	1,292,631	323,572
	Withholding tax (WHT)	66,133	105,265
	Payable to the Directors	6,022	20,369
	Pay as you earn (PAYE)	15,351	11,225
	Staff Cooperative	1,930	1,560
	NHF	584	458
	VAT Payable	234	522
	Staff Pension Fund	7,501	-
	Outstanding due General Managers	<u>-</u>	<u>2,468</u>
		<u>1,390,386</u>	<u>465,439</u>

29a. Other payables

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other creditors are non-interest bearing and have an average term of six months.

Trade payables, and other payables meet the definition of financial liability and their carrying amounts approximate fair value because the terms and conditions of payment is within 1 year for trade and other payables.

Notes to the financial statements

29 Trade and other payables (cont'd)

	Dec-21 N'000	Dec-20 N'000
Distributors and sales representative	394,744	50,756
Deposit for Ecomed property	259,164	254,164
Deposit for FPL property	550,000	-
Deposit by Primus investment limited	-	18,652
Pioneer Director Retirement Liability	88,723	-
	1,292,631	323,572

30 Other Current Financial Liabilities

	Dec-21 N'000	Dec-20 N'000
Commercial papers	2,150,000	-
	2,150,000	-

31 Dividends

On 22 July 2020, a dividend of N0.15k per share (total dividend N225million) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2019 financial year.

In respect of the current year, the Directors proposed a dividend of N0.20k per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

	Dec-21 N'000	Dec-20 N'000
Dividends paid and proposed	521,591	225,000
Paid during the year	(521,591)	(225,000)
Balance unpaid	-	-
	1,043,180	521,891
Dividends on ordinary shares:		
Proposed dividend for 2021: N0.50k per share (2020: N0.25k per share)	1,043,180	521,891

31a Unclaimed dividend

	Dec-21 N'000	Dec-20 N'000
Unclaimed dividend	88,215	38,937

Unclaimed dividend relates to dividend paid in the prior year which was returned by the registrar as they remained unclaimed by the beneficiaries.

Notes to the financial statements

31b Reconciliation of unclaimed dividend	Dec-21	Dec-20
	₦'000	₦'000
At 1 January	38,937	38,937
Additions	521,590	312,939
Payment	(521,590)	(312,939)
(Payment)/refund of unclaimed dividend	49,278	-
At 31 December	<u>88,215</u>	<u>38,937</u>
32 Share capital and reserves	Dec-21	Dec-20
	₦'000	₦'000
Authorised share capital 2,400,000,000 ordinary shares of 50k each	<u>1,200,000</u>	<u>1,200,000</u>
Issued and fully paid: 2,086,360,250 ordinary shares of 50k each	<u>1,043,180</u>	<u>1,043,180</u>
	<u>1,043,180</u>	<u>1,043,180</u>
33 Share premium	Dec-21	Dec-20
	₦'000	₦'000
At 1 January 2021	4,933,932	4,933,932
Addition in the year	-	-
	<u>4,933,932</u>	<u>4,933,932</u>

Section 120.2 of Companies and Allied Matters Act requires that where a Company issue shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

Share premium arises from shares issued at a price higher than the nominal value. The current balance was as a result of increase in share capital with a nominal value of 50k from 200,000,000 to 1,500,000,000 and 1,500,000,000 to 2,086,360,250 ordinary shares in November 2007 and April 2019 respectively.

34 Available for sale reserve

The reserve records fair value changes in available for sale financial asset.

	Dec-21	Dec-20
	₦'000	₦'000
At 1 January	515	(725)
Other Comprehensive gain /(loss) for the year, net	<u>70</u>	<u>1,240</u>
At 31 December	<u>585</u>	<u>515</u>

Gain or loss on equity available for sale financial asset is not taxable. Hence, no deferred tax was recognised for fair value gain or loss. This is to aid any user of the financial statement not familiar with Nigerian tax laws.

Notes to the financial statements

35 Guarantees and other financial commitments

a. Capital expenditure

The Company has proposed ₦3.03billion (N2.73 billion:2020) for capital expenditure for 2021financial year as follows:

Contracted for: ₦1.88 billion (N367million:2020)

Not contracted for: ₦1.14 billion(N2.36billion:2020)

b. Financial commitments

The directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statement under review. These liabilities are relevant in assessing the Company's financial position and performance.

c. Security of facilities

The bank loans and overdrafts are secured principally by a legal mortgage over some of the Company's land and buildings, debenture on the Company's assets, lien on shipping documents of goods imported, personal guarantee of Dr. Fidelis A.

Ayebae and joint and several guarantees of the Directors of Fidson Healthcare Plc. The mortgage debenture is on the land, building, plant and machinery of Fidson Healthcare Plc (including plant and machinery of the biotech factory located at Veepee Avenue, Otta Industrial Estate, Ogun State. The carrying amounts of the assets are N11.9billion at 31 December 2021. (2020: N11.9billion).

36 Contingent liabilities

There were judgements against the company in two suits with a total award of damages in the sum of N6million payable.

However, the liability has been settled and case closed.

37 Related party transactions

There was no related party transaction for the period under review.

37a Compensation of Key Management Personnel

	Dec-21	Dec-20
	₦'000	₦'000
Short-term employee benefits	408,628	343,120
Post-employment benefits	12,459	11,556
Total compensation paid to key management personnel	421,087	354,676

The amount disclosed in the note above are the amount recognised as an expense during the reporting period relate to key management personnel

Notes to the financial statements

37a Compensation of Key Management Personnel (cont'd)

	Dec-21	Dec-20
	₦'000	₦'000
N1,000,000 to N10,000,000	9	10
N10,000,001 to N20,000,000	8	9
N20,000,001 and above	5	4
	<u>22</u>	<u>23</u>

Key management includes directors and members of senior management (Directors, GM, DGM, AGM, Principal Manager)

37b. Directors' emoluments

The remuneration paid to the Directors is as follows:

	Dec-21	Dec-20
	₦'000	₦'000
Executive compensation	175,666	106,058
Fees and sitting allowance	7,578	3,390
Total Directors' emoluments	<u>183,244</u>	<u>109,448</u>

Fees and other emoluments disclosed above include amount paid to the chairman.

	Dec-21	Dec-20
	₦'000	₦'000
The chairman	<u>5,000</u>	<u>5,000</u>
Highest paid Director	<u>57,000</u>	<u>50,000</u>

38 Information relating to employees

The number of employees in respect of emoluments within the following ranges were:

	Dec-21	Dec-20
	Numbers	Numbers
Less than 500,000	-	-
500,001 - 1,000,000	91	102
1,000,001 - 1,500,000	108	76
1,500,001 - 2,000,000	89	89
2,000,001 - 2,500,000	62	57
2,500,001 - 3,000,000	48	20
3,000,001 and above	80	61
	<u>478</u>	<u>405</u>

Notes to the financial statements

38.1 Staff

The average numbers of persons employed were as follows:

	Numbers	Numbers
Executive Mgt	17	13
Commercial and Marketing	170	144
Production	161	155
Operation	84	49
Finance and Admin	46	44
	478	405
	478	405

40 Segment information

For management purposes, the performance of the business is assessed along product classes. Two of the Company's products have been identified as reportable segments for the purpose of IFRS 8. However, information for the product classes is only maintained at the revenue and cost of sales level. Financing and Income taxes are reported Company wide.

There is no single external customer whose transaction amount to 10% or more of the entity's revenues. Revenue for over-the-counter product accounts for 35% of total revenue, while Ethical product accounts for 65%. Revenue from Lagos region accounts for 42% of the total revenue. The Executive Management Committee monitors the operating results of the whole business for the purpose of making decisions about resource allocation and performance assessment.

The summary below shows the revenue and cost of sales information made available to the Executive management committee:

	Dec-21	Dec-20
	₦'000	₦'000
Revenue:		
Consumer Healthcare (Toll Manufacturing)	117,366	-
Ethical	20,109,605	10,672,684
Over-The-Counter	10,633,846	7,603,172
	30,860,817	18,275,856
Total Revenue	30,860,817	18,275,856
Cost of Sales		
Consumer Healthcare (Toll Manufacturing)	72,499	-
Ethical	5,526,160	4,827,129
Over The Counter (OTC)	7,879,782	3,354,446
Depreciation of factory PPE (Note 15)	569,922	499,496
Energy	549,226	317,563
Personnel Cost	625,483	418,157
Other Factory Overheads	534,710	277,725
	15,757,782	9,694,516
Total cost of sales	15,757,782	9,694,516

None of the major customers of the Company account for up to 10% of total revenue.

Notes to the financial statements

40.1 Geographical Information

Currently the company's operation is domiciled in Nigeria

40.2 Information about Major customers

Included in Revenue are revenues of approximately N1.45billion (2019: N1.33billion) which arose from sales to the company's largest customer. In addition, three other customers contributed more than 10% to the company's revenue altogether amounting to N3.56billion (2020: N2.58billion)

41 Financial instruments risk management objectives and policies

The company deploys a number of financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities, of the Company comprise bank borrowings, trade payables and finance leases which are deployed purposely to finance the Company's operations and to provide liquidity to support the Company's operations.

The financial assets of the Company include available-for-sale investments, loans and receivables, trade receivables, and cash and short-term deposits also necessarily required for the operations of the Company.

The principal risks that Fidson Healthcare Plc is exposed to as a result of holding the above financial instruments include market risk, credit risk and liquidity risk. The senior management of the Company oversees the management of these risks through the establishment of adequate risk management framework with appropriate approval process, internal control and authority limits. Thus, the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with those policies. The Board of Directors which is responsible for the overall risk management of the Company reviews and agrees on policies for managing each of these risks inherent in its involvement in financial instruments and operations are as summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, trade payables, available-for-sale investments, finance lease obligations, cash and cash equivalents, bank overdraft, finance lease obligation and loans and receivables.

Currency risk

Management has set up a policy requiring the Company to manage their foreign exchange risk against their functional currency. The company is required to manage its entire foreign exchange risk exposure with the Company finance. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company ensures that significant transactions are contracted in the country's functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes to the financial statements

41 Financial instruments risk management objectives and policies (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not carry debt at fair value neither does it have any floating rate exposure.

Equity price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fidson Healthcare Plc has a price risk in relation to its available for sale investments. This is because the investments are traded in an active market and are subject to price fluctuation. The company manages the equity price risk by placing limits on individual an. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was N5,030,000 (2020: N4,960,000). An increase of 33% on the Nigerian Stock Exchange could have an impact of approximately N70,000 (2020: N1,230,000) on the income or equity attributable to the Company, depending on whether or not the decline is significant or prolonged. An increase of 1.41% in the value of the listed securities would only impact equity but would not have an effect on the profit or loss.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The sources of the Company's credit risk include trade receivables, receivable from related parties and deposits with banks and financial institutions. See Note 22a for analysis of the age of financial assets that are past due as at the end of the reporting year but not impaired the credit risk of the Company is unsecured The maximum exposure to credit risk for the components of the statement of financial position at 31 December 2020 is the carrying amounts as shown in Note 22a. Refer to Note 25 for the maximum risk of Banks and financial institutions.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions as well as deposit with ALM Trustees is managed by the Company's treasury department in accordance with the Company's policy. The company limits its exposure for default by keeping cash with banks with good solvency margin. Maximum exposure to credit risk at the reporting date is the carrying value of the financial asset disclosed in Note 24. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counter party's potential failure to make payment.

Notes to the financial statements

41 Financial instruments risk management objectives and policies (cont'd)

Trade receivables

Customer credit risk is managed by credit managers and management as a whole subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Staff advance are also secured by employee salaries and deductions are made at source. Receivable from related party is managed by the management subject to the Company's established policy, procedures and control relating to credit risk management.

Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to avoid concentration risk. The company evaluates the concentration of risk with respect to trade receivables as low.

Balances with banks and financial institutions

Credit risk from balances with banks and financial institutions is managed by the Managing Director in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The policies are set and reviewed by the Board annually.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to pay its obligations when they fall due. The company monitors its risk to a shortage of funds using a recurring liquidity planning and continuous budget tool. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Board of Directors defines the Company's liquidity policy annually.

	Contractual Undiscounted cash flows N'000	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	Carrying value N'000
At 31 December 2021						
Interest bearing loans & borrowing (non-current)	6,398,489				6,398,489	6,398,489
Trade payables	1,773,060	1,773,060				
Bank overdraft	259,662		259,662			259,662
Other financial liabilities						
Interest bearing loans and borrowing (current)	2,012,359			2,012,359		2,012,359
Finance lease	173,816			87,350	63,590	150,939
	10,617,386	1,773,060	259,662	2,099,709	6,462,079	8,821,449

Notes to the financial statements

41 Financial instruments risk management objectives and policies (cont'd)

	Contractual Undiscounted cash flows N'000	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	Carrying value N'000
At 31 December 2020						
Interest bearing loans & borrowing (non-current)	4,050,683				4,050,683	4,050,683
Trade payables	866,761	866,761				866,761
Bank overdraft	232,229		232,229			232,229
Other financial liabilities						
Interest bearing loans and borrowing (current)	6,636,268			6,636,268		6,636,269
Finance lease	320,188			95,982	224,206	320,188
	12,106,129	866,761	232,229	6,732,250	4,274,889	12,106,130

41a Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

	Carrying values		Fair Values	
	31-Dec-21 N'000	31-Dec-21 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Financial assets				
Loans and other receivables	14,027	12,871	14,027	12,871
Trade receivables	2,248,787	2,176,992	2,248,787	2,176,992
Cash and bank	1,224,516	303,919	1,224,516	303,919
Available for sale	5,030	4,960	5,030	4,960
Other non-current financial asset	173,162	171,673	173,162	171,673
Total	3,665,522	2,670,415	3,665,522	2,670,415
Financial liabilities				
Interest-bearing loans and borrowings	6,398,489	2,918,518	2,918,518	2,695,083
Short-term borrowing	2,012,358	1,703,745	2,012,358	1,703,745
Bank Overdraft	259,662	546,604	259,662	546,604
Finance Lease	150,940	528,916	173,816	696,241
Trade and other payables	4,447,132	1,399,045	4,447,132	1,399,045
Total	13,268,581	7,096,828	9,811,486	7,040,718

Notes to the financial statements

41b Determination of fair value and fair value hierarchy

As at 31 December 2021 the Company held some financial instruments carried at fair value on the statement of financial position. The company uses the following hierarchy for determining and disclosing the fair value of non-financial assets by valuation technique:

Level 1: quote prices in active markets for identical assets or liabilities

Level2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The company has investment in listed equity securities. The fair value of the quoted equity shares is determined by reference to published price quotations in an active market.

Valuation Date of	Level 1	Level2	Level3
Assets measured at fair value:	₦'000	₦'000	₦'000
Available-for-sale financial assets: (Note 18)			
31-Dec-21	5,030		
31-Dec-20	4,960		
Assets for which fair values have been disclosed:			
Investment property(Note16)			
31-Dec-21			329,100
31-Dec-20			329,100
Interest bearing loans and borrowings- Noncurrent (Note 41a)			
31-Dec-21		6,398,489	
31-Dec-20		4,050,683	
Interest bearing loans-current (Note 41a)			
31-Dec-21		2,012,358	
31-Dec-20		6,636,269	
Finance Lease (Note 25)			
31-Dec-21		150,940	
31-Dec-20		260,441	

There have been no transfers between Level 1 and Level 2 during the period Interest bearing loan and borrowings are evaluated by the Company based on parameters such as interest rates that reflects market risk characteristics at the measurement date.

The fair value of the loans and borrowing are determined based on DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Notes to the financial statements

42 Capital management

Capital includes issued share capital, share premium, retained earnings and other reserves in the statement of financial position. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021 and year ended 31 December 2020.

The company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 45% and 60%. The company includes within net debt interest bearing loans and borrowings, trade and other payables, and cash and short-term deposits.

	Dec-21	Dec-20
	₦'000	₦'000
Interest bearing loans and borrowings (Note 24)	8,410,847	10,686,951
Trade and other payables (Note 29)	4,447,132	2,177,568
Overdraft (Note 24)	<u>259,662</u>	<u>232,229</u>
Less: Cash and bank balances	<u>(1,956,154)</u>	<u>(3,205,354)</u>
Net debt	11,161,487	9,891,394
Capital - Equity	<u>13,751,835</u>	<u>10,539,435</u>
Capital and net debt	<u><u>24,913,322</u></u>	<u><u>20,430,829</u></u>
Gearing Ratio	45%	48%

43.0 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic earnings per share computations:

	Dec-21	Dec-20
	₦'000	₦'000
Net profit attributable to ordinary shareholders	<u>4,243,148</u>	<u>1,205,039</u>
Weighted average number of ordinary shares	<u>2,086,350</u>	<u>2,086,350</u>
Basic / (Loss) earnings per ordinary share	<u><u>148k</u></u>	<u><u>58k</u></u>

There was no dilutive effect of ordinary shares during the reporting and the comparative years.

Notes to the financial statements

44.0 Events after the reporting period

There are no events or transactions that has occurred since the reporting date which would have a material effect on these financial statements, or which would need to be disclosed in the financial statements.

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Value added statement

	2021	%	2020	%
	₦'000		₦'000	
Revenue	30,860,817		18,275,856	
Other operating income	596,552		349,745	
Finance income	77,718		9,240	
Bought in goods and services				
- Imported	(11,713,927)		(7,587,675)	
- Local	<u>(10,518,292)</u>		<u>(5,176,787)</u>	
Value added	<u>9,302,868</u>		<u>5,870,379</u>	
Applied as follows:				
To employees:				
Salaries and other benefits	2,561,690	28	1,949,616	32
To Government:				
Income tax	851,747	9	116,038	2
To pay providers of capital:				
Bank interest	1,222,299	13	1,333,927	23
To provide for replacement of assets and expansion of business:				
- Depreciation and amortization	801,235	8	814,034	14
- Deferred taxation	(377,251)	(4)	451,725	8
Retained profit/(loss)	<u>4,243,148</u>	<u>46</u>	<u>1,205,039</u>	<u>21</u>
	<u>9,302,868</u>	<u>100</u>	<u>5,870,379</u>	<u>100</u>

The value added represents the wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, providers of finance, government and that retained for the future creation of more wealth.

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Five-year financial summary

	2021	2020	2019	2018	2017
	₦'000	₦'000	₦'000	₦'000	₦'000
Non-current assets					
Property, plant and equipment	14,892,994	13,387,810	11,996,884	12,371,006	12,363,213
Right of use Assets	486,271	595,194	703,182	-	-
Investment property	31,823	32,742	33,586	34,504	35,347
Intangible assets	21,722	23,530	27,736	54,475	60,184
Loans and other receivables	14,027	12,871	10,172	50,038	47,805
Available for sale	5,030	4,960	3,720	4,610	5,127
Investment in associate					
Other non-current financial assets	173,162	171,673	441,337	393,209	294,423
Net current (liabilities)/assets	<u>6,508,720</u>	<u>3,464,889</u>	<u>1,030,463</u>	<u>(2,960,403)</u>	<u>(2,073,015)</u>
	22,133,749	17,693,669	14,247,080	9,947,439	10,733,084
Non-current liabilities					
Interest bearing loans and borrowings –	(6,210,729)	(4,050,683)	(2,695,082)	(1,124,287)	(1,246,254)
Lease liabilities	(63,590)	(164,459)	(312,409)	(213,180)	(592,411)
Staff retirement benefits	(268,185)	(447,792)	(278,533)	(300,957)	(309,831)
Government grant	(660,764)	(938,248)	(247,299)	(156,068)	(143,124)
Deferred revenue	(1,583)	(4,751)	(7,916)	-	(1,000)
Deferred taxation	<u>(1,177,063)</u>	<u>(1,548,311)</u>	<u>(1,085,533)</u>	<u>(999,166)</u>	<u>(817,544)</u>
	13,751,835	10,539,425	9,620,308	7,153,781	7,622,920
Financed by:					
Share capital	1,043,180	1,043,180	1,043,180	750,000	750,000
Share Premium	4,933,932	4,933,932	4,933,932	2,973,043	2,973,043
Retained earnings	7,774,138	4,561,808	3,643,921	3,430,573	3,899,194
Available for sale reserve	<u>585</u>	<u>515</u>	<u>(725)</u>	<u>165</u>	<u>683</u>
	13,751,835	10,539,435	9,620,308	7,153,781	7,622,920
	2021	2020	2019	2018	2017
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	<u>30,860,817</u>	<u>18,275,856</u>	<u>14,062,015</u>	<u>16,229,903</u>	<u>14,057,394</u>
Profit before taxation	4,717,644	1,772,211	575,666	160,867	1,578,547
Profit / (Loss) for the year	3,719,913	1,205,039	407,188	(97,447)	1,060,789
Dividend	<u>1,043,180</u>	<u>521,591</u>	<u>312,939</u>	<u>225,000</u>	<u>300,000</u>
Per Share Data					
Earnings per share (kobo)	178	58	20	(6)	71
Dividend per share (kobo)	50	25	15	15	20
Net assets per share (kobo)	<u>659</u>	<u>505</u>	<u>462</u>	<u>477</u>	<u>508</u>