

FIDSON HEALTHCARE PLC
Lagos, Nigeria

Annual report and financial statements
For the year ended 31 December 2024

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Corporate Information

1. **DIRECTORS:**

<p>Mr. Olusegun S. Adebajji, FCA Dr. Fidelis A. Ayebae Mrs. Olufunmilola O. Ayebae Mr. Emmanuel E. Imoagene Mrs. Aishatu P. Sadauki Dr. Vincent Ahonkhai Mr. Abiola A. Adebayo Mr. Olugbenga O. Olayeye Mr. Ola Ijimakin Mr. Imokha Ayebae</p>	<p>Chairman Managing Director/ Chief Executive Officer Non- Executive Non- Executive Independent Non – Executive Independent Non- Executive Deputy Managing Director Executive Director, Strategy & Marketing Executive Director, Commercial Executive Director, Finance</p>
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2. **COMPANY SECRETARY:** Mr. J. Abayomi Adebajo, FCIS

3. **REGISTERED NUMBER:** 267435

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

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

6. **SOLICITORS:** Adesokan & Adesokan
 53-57, Bamgbose Street
 Lagos Island, Lagos
 Tel: 234 8093131158

7. **BANKERS:** Access Bank Plc
 Bank of Industry Limited
 Fidelity Bank Plc
 First City Monument Bank Plc
 FSDH Merchant Bank Limited
 First Bank of Nigeria Limited
 Guaranty Trust Bank Plc
 Unity Bank Plc
 Union Bank of Africa Plc
 Wema Bank Plc
 Zenith International Bank Plc

8. **REGISTRARS:** Meristem Registrars & Probate Services Limited,
 213, Herbert Macaulay Way
 Adekunle, Yaba
 Lagos
 Tel: 234 18920491
 Email: info@meristemregistrars.com

9. **TIN NUMBER** 01284978-0001

Results at a Glance

	2024	2023	%
	N'000	N'000	Change
Revenue	84,189,000	53,050,354	59
Profit before taxation	7,700,460	5,917,409	30
Profit for the year	5,779,384	3,607,593	59
Retained earnings	17,744,545	13,313,331	33
Share capital	1,147,498	1,147,498	-
Shareholders' funds	23,726,312	19,293,728	23

PER SHARE DATA

Earnings per share (Kobo)			
Basic and diluted	252	157	59
Net asset per share (Kobo)	1,034	841	23
Stock exchange quotation at 31 December (Naira)	15.50	17.50	(11)
Number of employees	<u>674</u>	<u>650</u>	<u>4</u>

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 2024.

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 operates as a Private Limited Liability Company until June 5, 2008 when it was 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 N1 amounting to N2,294,996,275 out of the profit for the year ended 31 December 2024 (31 December 2023: N0.60k amounting to N1,376,997,765). Proposed dividend will only be recognised as a liability after approval by the shareholders at the Annual General Meeting.

6.0 MAJOR CUSTOMERS

LAGOS

Nwachukwu Pharmaceutical Co. Ltd
Zemca Healthcare Ltd
Lexicon Pharmacy
Junno Pharmacy
Jaymorr Pharmacy Ltd

WEST

Zimaco Pharm Ltd
Elvis-Madu And Son Pharmaceutical Nig. Ltd
Safeline Pharmaceuticals Ltd
Remedial Health Solutions Ltd Lagos
Armonds Pharm

EAST

Kunle Ara Pharm
Elgra Pharmacy
PS General Drugs Centre Pharmaceutical
Okey God Pharm Co. Ltd
Pharmfem Pharmacy And Stores

NORTH

Latnas Pharmacy
New Health Pharm
Gozeb Pharmaceutical Nig Ltd
Klen Pharmacy Ltd Abuja
Sanabba Pharmaceutical Co. Ltd

7.0 MAJOR SUPPLIERS

Oversea Suppliers
TIL Healthcare Pvt. Ltd
V.S International Pvt. Ltd
Sinobright Import and Export Co. Limited
Sukhesh Marketing pvt. Ltd
Mevish Export
M/S. Medinomics Healthcare Pvt
Charack Pharma Pvt. Ltd
AAPL Solutions Pvt. Ltd
IVS Technology H.K. Ltd
Sagisa Process Engineering (CPY) Ltd
Elmach Packages Indis Pvt. Ltd
Themis Ltd
Thosco (Thode + Scobel)
Shandong Eagle Machinery Co. Ltd
Sterimax Engineering Pvt. Ltd 7

Local Suppliers
Dowel Resources & Logistics Ltd
Aquatix Pharmaceuticals Ltd
Beta Glass Plc
Akest Nig Ltd
Sagar Overseas Ltd
LPC Printing Ltd
Win Oil Ltd
Benchmark Sciences Ltd
Sankil Pharmaceutical Ltd
LN Pack Industries Ltd
Poly Product Nigeria Plc
Boden Industries Ltd
Abtevic Pharma Ltd
Manipal Int. Press Ltd
Scamps Commuincations Limited

Report of the Directors (cont'd)**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. Olusegun Adebajji	Chairman (Independent Non-Executive)
Dr. Fidelis A. Ayebae	Managing Director/Chief Executive Officer
Mrs. Olufunmilola O. Ayebae	Non-Executive
Mr. Emmanuel E. Imoagene	Non-Executive
Mrs. Aishatu P. Sadauki	Independent Non-Executive
Dr. Vincent Ahonkhai	Independent Non-Executive
Mr. Abiola A. Adebayo	Deputy Managing Director
Mr. Olugbenga O. Olayeye	Executive Director, Strategy and Marketing
Mr. Ola Ijimakin	Executive Director, Commercial
Mr. Imokha Ayebae	Executive Director, Finance

9.0 DIRECTORS' INTERESTS

The Directors' interests in the issued share capital of the Company as at 31 December 2024 are as follows;

S/N	Directors	Holding 2024	%	Holding 2023	%
1	DR. FIDELIS A. AYEBAE	758,543,749	33.05	758,543,749	33.05
2	MR. EMMANUEL E. IMOAGENE	37,413,200	1.63	37,413,200	1.63
3	MRS. OLUFUNMILOLA O. AYEBAE	74,629,500	3.25	74,629,500	3.25
4	MRS. AISHA P. SADAUKI	859,705	0.04	859,705	0.04
5	MR. SEGUN ADEBANJI	-	-	-	-
6	MR. OLUGBENGA O. OLAYEYE	21,539,144	0.94	21,539,144	0.94
7	MR. ABIOLA A. ADEBAYO	18,289,269	0.80	18,289,269	0.80
8	DR VINCENT AHONKHAI	365,860	0.01	320,860	0.01
9	MR. EKWUNIFE OKOLI	-	-	-	-
10	OLA IJIMAKIN	2,359,280	0.10	2,359,280	0.10
11	MR. IMOKHA AYEBAE SAMSON O	41,800,000	1.82	41,800,000	1.82
	Indirect Holding				
	GLORIOUS HAVEN LIMITED - ON BEHALF OF				
	DR. FIDELIS A. AYEBAE	1,100,000	0.05	1,100,000	0.05

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. Olusegun S. Adebajji, Mrs Aishatu Pamela Sadauki, and Mr. Emmanuel Imoagene retired by rotation. Their respective re-election will be brought before the members at the Annual General meeting.

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 2024.

12.0 SUBSTANTIAL INTEREST IN SHARES

The registrar has advised that according to the register of members as at 31 December 2024, the following held more than 5% of the issued share capital of the Company:

Shareholder	No of Shares	% Holding
Dr. Fidelis Ayebae	758,543,749	33.05%
Stanbic IBTC Nominee Ltd	568,422,033	24.77%

Report of the Directors (cont'd)

13.0 CORPORATE SOCIAL RESPONSIBILITIES / DONATIONS

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

	2024	2023
	N	N
Religious organisations	5,749,233	5,200,000
Hospitals/Health institutions	119,421,390	87,842,326
Schools/Communities	123,234,818	93,581,502
	248,405,441	186,623,828

In compliance with Paragraph 4 in the fourth schedule of the Companies and Allied Matters Act, 2020 the company did not make any donation or gift to any political party, political association or for any political purpose during the year under review. All donations are monetary in nature and are expensed (See Note 8).

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 2024.

15.0 ANALYSIS OF SHAREHOLDERS

Analysis of shareholdings as at 31 December 2024

		%		%
Range	No. of Holders	Members	Units	Holding
1 - 50,000	8473	89	57,539,823	3
50,001 - 100,000	422	4	30,464,788	1
100,001 - 1,000000	526	6	130,098,901	6
1,000,001 and above	66	1	2,076,892,763	90
	9,487	100	2,294,996,275	100

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 2024, there were two disabled employees working in the administrative section of the factory.

b) Welfare

The Company has retainership 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 and are expensed during the year.

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.

Report of the Directors (cont'd)

17.0 PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is disclosed in Note 15 to the financial statements.

18.0 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
Alhaji Abdulkabir B. Sarumi,
Mr. Solomon S. Akinsanya
Mrs. Olufunmilola O. Ayebae
Mr. Emmanuel E. Imoagene

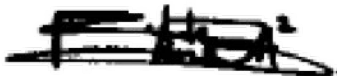
Chairman
Shareholders' representative
Shareholders' representative
Directors' representative
Directors' representative

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

19.0 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 26th Annual General Meeting (AGM) for the authority to fix their remuneration by the directors.

BY ORDER OF THE BOARD



J. ABAYOMI ADEBANJO, FCIS
COMPANY SECRETARY
FRC/2013/PRO/ICSAN/002/00000002161

27 March 2025

Corporate Governance Report

Fidson remains relentless in its pursuit of excellence and during the year under review, several steps were taken to ensure its continued growth in all aspects of its operations and performance indicators. Stakeholders' engagement and intensified corporate social responsibility were appropriately focused to further ensure an amicable relationship with the larger society. The company kept reviewing its internal policies to align properly with the dynamic business and regulatory environment.

We continued to ensure full disclosures in line with 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.

We retained our strategic governance pillars, namely:

People: Our stakeholders are at the centre of our Corporate Governance practices. Concerns 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, as well as concern for our numerous customers and end-users of our brands. 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 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 Head 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 to recognize 'probity' as one of the essentials of good governance. All officers, including directors, are requested to give an honest account of all company's 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.

We have continued to subject our operations to periodic examinations and audits by independent auditors which include current Good Manufacturing Practice (GMP) and the 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.

Corporate Governance Report (cont'd)

OUR CORPORATE GOVERNANCE PLATFORM (cont'd)

The day-to-day affairs of the company are run by the Executive Management with regular meetings to brainstorm on the company's operations.

The framework for our corporate governance is hinged on:

- The Nigerian Code of Corporate Governance 2018
- Various Standards Operations Procedure (SOP) and the International Standard Organisation's compliance requirements.
- Provisions of the Companies and Allied Matters Act, 2020.
- Financial Reporting Council (Amendment) Act, 2023.
- IFRS Accounting Standards as issued by the International Accounting Standards Board
- The listing rules of the Nigerian Exchange Limited (NGX).
- Rules of the Securities and Exchange Commission (SEC).
- Good Manufacturing Practices.
- International best practices.

BOARD COMMITTEES

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

S/N	NAME OF COMMITTEES	MEMBERS
1	Governance, Nomination and Remuneration Committee	Mrs. Aishatu P. Sadauki (Chairman) Mr. Emmanuel E. Imoagene Mrs. Olufunmilola O. Ayebae Dr. Vincent I. Ahonkhai
2	Finance and General Purposes Committee	Mr. Emmanuel. E. Imoagene (Chairman) Mr. Olusegun. S. Adebajji Dr Vincent. I. Ahonkhai Mr. Imokha. S. Ayebae Mr. Ola. E. Ijimakin Mr. Olugbenga O. Olayeye Mr. Abiola. A. Adebayo Dr Fidelis A. Ayebae
3	Risk, Audit & Credit Control Committee	Mr. Olusegun. S. Adebajji (Chairman) Mr. Emmanuel. E. Imoagene Mrs. Olufunmilola. O. Ayebae Mr. Olugbenga. O. Olayeye Mr. Imokha S. Ayebae Mr. Abiola. A. Adebayo Dr. Fidelis. A. Ayebae
4	Strategy and Business Development Committee	Dr.Vincent I. Ahonkhai (Chairman) Mrs. Aishatu. P. Sadauki Mr. Emmanuel E. Imoagene Mr. Imokha S. Ayebae Mr. Olugbenga. O. Olayeye Mr. Abiola. A. Adebayo Mr. Ola E. Ijimakin Dr. Fidelis A. Ayebae
5	Statutory Audit Committee (Board's Representatives).	Mrs. Olufunmilola. O. Ayebae (Chairman) Mr Emmanuel. E. Imoagene

The Company Secretary acts as Secretary to all Board committees.

Corporate Governance Report (cont'd)**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 address the Board's and Management's skill requirements and to fill any vacancy on the Board, however, occasioned. The Committee is also 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.

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.

The Committee during the year under review undertook a week-long rigorous strategic session for the company.

Corporate Governance Report (cont'd)

COMMITTEES' TERMS OF REFERENCE (cont'd)

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 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.
- (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.

The communication path shall be through the Company Secretary and/or the Chairman.

The Committee during the year under review discharged its function creditably well and amongst other things, reviewed and adopted a risk register for the company.

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

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 Directors' 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, as amended by the Business Facilitation, Act 2023, the Board has the required number of Independent Non-Executive Directors.

Corporate Governance Report (cont'd)**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 fairly and transparently and conform 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 expenditures 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 Senior Executive Management ensures that the Board receives 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, questions are raised by the Board on issues of compliance to be addressed by the Company Secretary or any Director concerned. This way, the Board is abreast of the regulatory, statutory and ethical requirements expected of listed companies in Nigeria.

Board Charter: To ensure good governance is engendered in the company, the Board is run by a Charter which amongst other things makes 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 Law, regulations, and Corporate Governance Code

Board Structure:

The Board currently has 10 (ten) directors, made up of 6 (six) Executive Directors, 1 (one) Non-Executive Director, and 5 (five) Independent Non-Executive Directors. The balance between the executive and non-executive directors has continually ensured the objectivity with which the Board considers Management's reports and proposals presented to the full board.

In structuring the Board, there was consideration for diversity in terms of gender and core competencies needed on the Board. Among the Board members are experts in human resources, corporate governance, medical sciences, finance, manufacturing, economics, marketing and strategy.

Directors during the year under review were:

- | | | |
|----------------------------------|---|---|
| 1. Mr. Olusegun S. Adebajani | - | Chairman (Independent Non-Executive Director) |
| 2. Dr. Fidelis A. Ayebae | - | Managing Director |
| 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 I. Ahonkhai | - | Independent Non-Executive Director |
| 7. Mr. Olugbenga O. Olayeye | - | Executive Director, Sales and Marketing |
| 8. Mr. Abiola A. Adebayo | - | Executive Director, Operations. |
| 9. Mr. Ola E. Ijimakin | - | Executive Director, Commercial. |
| 10. Mr. Imokha S. Ayebae | - | Executive Director, Finance |

Corporate Governance Report (cont'd)

Board Structure (cont'd)

Board evaluation and appraisal: The Board has agreed on a plan to conduct an evaluation of its members before the end of the 2025 financial year.

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

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 annually 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 |

The Company Secretary, Mr. J. A Adebajo acted as the Secretary to the Committee.

Attendance of Board Members, Board Committees and Audit Committee at meetings during the twelve months ended 31st December 2024

BOARD MEETINGS	28-03-24	25-07-24	24-10-24	13-12-24	%
Mr. Olusegun S. Adebajo	✓	✓	✓	✓	100
Dr. Fidelis A. Ayebae	✓	✓		✓	100
Mrs. Aishatu P. Sadauki	✓	✓	✓	✓	100
Mrs. Olufunmilola O. Ayebae	✓	✓	X	✓	80
Mr. Emmanuel E. Imoagene	✓	✓	✓	✓	100
Dr. Vincent I. Ahonkhai	✓	✓	✓	✓	100
Mr. Abiola A. Adebayo	✓	✓	✓	✓	100
Mr. Olugbenga O. Olayeye	✓	✓	✓	✓	100
Mr. Ola E. Ijimakin	✓	✓	✓	✓	100
Mr Imokha S. Ayebae	✓	✓	✓	✓	100

STATUTORY AUD IT COMMITTEE	25-03-24	27-04-24	16-07-24	23-10-24	12-10-24	%
Chief Matthew Akinlade	✓	✓	✓	✓	✓	100
Alhaji Abdulkabir B. Sarumi	✓	✓	✓	✓	✓	100
Mrs. Olufunmilola O. Ayebae	X	✓	✓	✓	✓	80
Mr. Solomon S. Akinsanya	✓	✓	✓	✓	✓	100
Mr. Emmanuel E. Imoagene	✓	✓	✓	✓	✓	100

Corporate Governance Report (cont'd)**Board Structure (cont'd)**

GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE	16-04-24	21-10-24	12-12-24	%
Mrs. Aishatu. P. Sadauki	✓	✓	✓	100
Mrs. Olufunmilola. O. Ayebae	✓	✓	✓	100
Mr. Emmanuel. E. Imoagene	✓	✓	✓	100
Dr. Vincent Ahonkhai	✓	✓	✓	100

FINANCE AND GENERAL PURPOSES COMMITTEE	16-02-24	26-03-24	23-04-24	23-07-24	22-10-24	13-12-24	%
Mr. Emmanuel. E. Imoagene	✓	✓	✓	✓	✓	✓	100
Mr. Olusegun.S. Adebajji	✓	✓	✓	✓	✓	✓	100
Dr. Vincent I. Ahonkhai	✓	✓	✓	✓	✓	✓	100
Dr. Fidelis. A. Ayebae	✓	✓	✓	✓	✓	✓	100
Mr. Abiola. A. Adebayo	✓	✓	✓	✓	✓	✓	100
Mr. Olugbenga. O. Olayeye	✓	✓	X	✓	✓	✓	83
Mr. Ola E. Ijimakin	✓	✓	✓	✓	✓	✓	100
Mr. Imokha S. Ayebae	✓	✓	X	✓	✓	✓	83

RISK MANAGEMENT AND AUDIT COMMITTEE	12-03-24	12-07-24	08-10-24	%
Mr. Olusegun S. Adebajji	✓	✓	✓	100
Mrs. Olufunmilola .O. Ayebae	✓	✓	✓	100
Mr.Emmanuel.E.Imoagene	✓	✓		100
Dr. Fidelis. A. Ayebae	✓	✓	✓	100
Mr. Abiola .A.Adebayo	✓	✓	✓	100
Mr. Olugbenga. O.Olayeye	✓	X	✓	67
Mr. Imokha S. Ayebae	✓	✓	✓	100

STRATEGY AND BUSINESS DEVELOPMENT COMMITTEE	14-03-24	07-11-24	10-10-24	%
Dr.Vincent I. Ahonkhai	✓	✓	✓	100
Mr.Emmanuel. E.Imoagene	✓	✓	✓	100
Mrs. Aishatu .P.Sadauki	✓	✓	✓	100
Dr. Fidelis A. Ayebae	✓	✓	X	67
Mr. Abiola A. Adebayo	✓	✓	✓	100
Mr. Olugbenga O. Olayeye	✓	✓	✓	100
Mr.Ola E. Ijimakin	✓	✓	✓	100
Mr.Imokha S. Ayebae	✓	✓	✓	100

Board induction programme: With the expansion of the Board in January 2025, a robust Directors' induction programme was conducted. The induction lasted three weeks 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's directors are constantly reminded and they are aware of the restrictions imposed on them with regards to trading in the shares and other listed securities 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 unpublished 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 insider trading.

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

Corporate Governance Report (cont'd)**Board Structure (cont'd)**

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 2025.

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	31-12-24		31-12-23	
	Unit	Percentage	Unit	Percentage
Share Capital	2,294,996,275	100%	2,294,996,275	100%
Substantial Shareholdings (5% and above)				
Dr. Fidelis A. Ayebae	758,543,749	33.05%	758,543,749	33.05%
Stanbic IBTC Nominees Limited	568,422,033	24.77%	568,422,033	24.77%
Total Substantial Shareholdings	1,326,965,782	57.82%	1,326,965,782	57.82%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
DR. Fidelis A. Ayebae (indirect)	1,100,000	0.05%	1,100,000	0.05%
Mr. Emmanuel E. Imoagene	37,413,200	1.63%	37,413,200	1.63%
Mrs. Olufunmilola O. Ayebae	74,629,500	3.25%	74,629,500	3.25%
Mrs. Aishatu P. Sadauki	859,705	0.04%	859,705	0.04%
Dr. Vincent Ahonkhai	365,860	0.02%	365,860	0.02%
Mr. Olugbenga O. Olayeye	21,539,144	0.94%	21,539,144	0.94%
Mr. Abiola A. Adebayo	18,289,269	0.80%	18,289,269	0.80%
Mr. Imokha Ayebae	41,800,000	1.82%	41,800,000	1.82%
Mr. Ola Ijimakin	2,359,280	0.10%	2,359,280	0.10%
Mr. Segun Adebajji	-	-	-	-
Total Directors' Shareholdings	198,355,958	8.64%	198,355,958	8.64%
Other Influential Shareholdings				
NIL				
Total Other Influential Shareholdings	-	-	-	-
Free Float in Units and Percentage	769,674,535	33.54%	769,674,535	33.54%
Free Float in Value	N 4,348,661,122.75		N 4,348,661,122.75	

Declaration:

- (A) FIDSON HEALTHCARE PLC with a free float percentage of 33.54% as at 31st December 2024, 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 N4,348,661,122.75 as at 31st December 2024 is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Note: Average share price in 2024 as indicated by the NGX was N5.65k



J. A. ADEBANJO, FCIS
COMPANY SECRETARY
FRC/2013/PRO/ICSAN/002/0000002161
27 March 2025

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 Company as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, (Amendment) Act 2023.

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
DMD
FRC/2013/PRO/DIR/003/00000002162

27 March 2025



Fidelis Ayebae
MD/CEO
FRC/2013/PRO/DIR/003/00000002376

27 March 2025

Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Matters Act, 2020 and Section 60 of the Investment and Securities Act, 2007, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the:

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements.

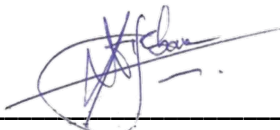
We state that management and Directors:

- (i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that Company's internal controls are effective as of that date.

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in 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.

The financial statements of the Company for the year ended 31 December 2024 were approved by the Directors on 27 March 2025.

On behalf of the Directors of the Company

Fidelis Ayebae
MD/CEO
FRC/2013/PRO/DIR/003/00000002376

27 March 2025



Imokha Ayebae
Finance Director
FRC/2021/PRO/ANAN/001/00000023145

27 March 2025

Audit Committee's Report

In the course of the financial year 2024, the statutory Audit Committee of Fidson Healthcare Plc met five times as analysed in the table below.

AUDIT COMMITTEE	24-01-24	22-03-24	18-07-24	17-10-24	12-12-24	%
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

Key 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's ("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 as 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 control 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 of the Board.
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's 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) 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 company in 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 programme is 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 questions as well as the state of Fidson Healthcare Plc.



**Chief Matthew Akinlade, FCA,
FRC/2013/PRO/ICAN/001/00000002111
Chairman, Statutory Audit Committee**

Dated March ..20..... 2025

Members of the Statutory Audit Committee are:

Chief Matthew Akinlade, FCA
Alhaji Abdulkabir B. Sarumi,
Mrs. Olufunmilola O. Ayebae
Mr. Emmanuel E. Imoagene
Mr. Solomon S. Akinsanya

Shareholder representative (Chairman)
Shareholders' representative
Directors' representative
Directors' representative
Shareholders' representative



Fidson Healthcare Plc^{RC 267435}

Corporate Head Office:
268, Ikorodu Road, Obanikoro,
P.O.Box 7210, Shomolu, Lagos.
Tel: +234 807 700 8888,
+234 01-3429102,
e-mail: info@fidson.com
www.fidson.com

Deloitte & Touche

Civic Towers, Plot GA 1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos, Nigeria

Attention: Hunga Folorunsho

Dear Sir,

Management's Annual Assessment of, And Report on the Entity's Internal Control Over Financial Reporting.

To comply with the provisions of Section 1.3 of SEC Guidance on implementation of Sections 60-63 of Investment and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Fidson Healthcare Plc for the year ended 31 December 2024.

- i. Fidson Healthcare Plc's ("Fidson" or the "Company") management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR"), including safeguarding of assets against unauthorized acquisition, use or disposition. This system provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. Our system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by our internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations. However, we can provide reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.
In addition, our internal audit function provides its independent assurance on the effectiveness of the internal control over financial transactions by its structured review of Finance activities.
- iii. We used the Committee of Sponsoring of Organization of the Treadway Commission (COSO 2013) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR. Based on this assessment, management believes that, as of December 31 2024, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, we determined that there were no material weaknesses in our internal control over financial reporting as of December 31 2024.
- iv. Fidson's external auditor, Deloitte & Touche that audited the financial statements included in the annual report, has issued an attestation report on management's assessment of our internal control over financial reporting.

The attestation report of Deloitte & Touche that audited its financial statements will be filed as part of its annual report.


Fidelis Ayebae
MD/CEO
FRC/2013/PRO/DIR/003/00000002376
27 March 2025


Imokha Ayebae
Financial Director
FRC/2021/PRO/ANAN/001/000000023145
27 March 2025

Board of Directors:

Olusegun S. Adebajji FCA (Chairman), Olufunmilola O. Ayebae (Mrs.), Aishatu P. Sadauki (Mrs.) OON, Emmanuel E. Imoagene, Dr. Vincent I. Ahonkhai, Dr. Fidelis A. Ayebae (MD/CEO), Abiola A. Adebayo (Executive), Olugbenga O. Olayeye (Executive), Ola E. Ijimakin (Executive), Imokha S. Ayebae (Executive)

Factory Address:

17-21, Fidson Avenue, Sango Ota, Ogun State, Nigeria.

Independent Auditor's Report

Report on the Financial Statements

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 25 to 82, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of **Fidson Healthcare Plc** as at 31 December 2024, and its financial performance and statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board, the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council (Amendment) Act 2023.

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 Auditors' 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 the 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were 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 these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, CEO's Report, Sustainability Report, Statement of Directors Responsibilities, Statement on the Company's Environmental, Social and Governance Activities, Report of the Statutory Audit Committee and other national disclosure (statement of value added and financial summary) 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 IFRS Accounting Standards as issued by the International Accounting Standard Board, 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. Also, we:

- 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 those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters 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 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 has 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.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an Assurance Report with no exception in our report dated 31 March 2025. That report is included on pages 23 to 24 of the financial statements.

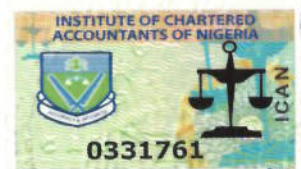
Folorunso Hunga, FCA - FRC/2013/PRO/ICAN/004/00000001709

For: Deloitte & Touche (FRC/2022/Coy/091021)

Chartered Accountants

Lagos, Nigeria

31 March 2025



Assurance Report of Independent Auditor

To the Shareholders of Fidson Healthcare Plc

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Fidson Healthcare Plc ("the Company") as of 31 December, 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO ("the ICFR framework")), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. The Company's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company, and our report dated 31 March 2025 expressed an unmodified opinion

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company's system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.



Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the IFRS Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Folorunso Hunga, FCA - FRC/2013/PRO/ICAN/004/00000001709

For: Deloitte & Touche (FRC/2022/Coy/091021)

Chartered Accountants

Lagos, Nigeria

31 March 2025



Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-24 N '000	31-Dec-23 N '000
Revenue	5	84,189,000	53,050,354
Cost of Sales	6	<u>(49,084,616)</u>	<u>(31,979,445)</u>
Gross profit		35,104,384	21,070,909
Other gains and losses	7	611,871	497,066
Administrative expenses	8	(8,712,125)	(6,532,831)
Impairment of receivables	21	(301,440)	(227,781)
Net exchange loss	9	(5,448,891)	(1,261,246)
Selling and distribution expenses	10	<u>(8,119,539)</u>	<u>(5,549,848)</u>
Operating profit		13,134,260	7,996,269
Finance costs	11	(5,493,822)	(2,101,868)
Finance income	12	<u>60,022</u>	<u>23,008</u>
Profit before tax	13	7,700,460	5,917,409
Income tax	14	<u>(1,921,076)</u>	<u>(2,309,816)</u>
Profit for the year		<u>5,779,384</u>	<u>3,607,593</u>
Other comprehensive income: (OCI)			
Items to be reclassified to profit or loss in subsequent years:			
Fair value gain/loss through OCI financial instruments	18(a)	<u>1,370</u>	<u>2,930</u>
Net other comprehensive income to be reclassified to profit or loss		<u>1,370</u>	<u>2,930</u>
Items not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain on defined benefit plans	25	41,184	37,392
Income tax effect	14(c)	<u>(12,356)</u>	<u>(11,218)</u>
Net other comprehensive income not to be reclassified to profit or loss		<u>28,828</u>	<u>26,174</u>
Other comprehensive income, net of tax;		<u>30,198</u>	<u>29,104</u>
Total comprehensive income, net of tax		<u>5,809,582</u>	<u>3,636,697</u>
Earnings per share - basic (in kobo)			
Basic and diluted	42	<u>252</u>	<u>157</u>

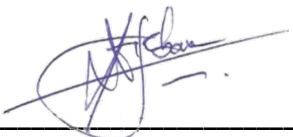
The Notes on pages 29 to 82 form an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2024

	Notes	31-Dec-24 N '000	31-Dec-23 N '000
ASSETS:			
Non-current assets			
Property, plant and equipment	15	25,125,748	22,672,162
Right of use of assets	16	-	315,050
Intangible assets	17	65,471	25,577
Financial assets at FVTOCI	18(a)	9,100	7,730
Financial assets at amortised cost *	18(b)	17,915	16,183
Other non-current financial asset	19	198,106	184,432
		<u>25,416,340</u>	<u>23,221,134</u>
Current assets			
Inventories	20(a)	24,182,294	16,356,949
Financial assets at amortised cost*	18(b)	242,230	485,010
Trade and other receivables	21(a)	6,208,215	5,887,827
Prepayments	22	12,513,033	5,253,563
Cash and cash equivalents	23	4,931,368	10,786,643
Total current assets		<u>48,077,140</u>	<u>38,769,992</u>
Total assets		<u>73,493,480</u>	<u>61,991,126</u>
Equity:			
Share capital	30	1,147,498	1,147,498
Share premium	31	4,829,614	4,829,614
Retained earnings		17,744,545	13,313,331
Financial asset reserve	32	4,655	3,285
Total equity		<u>23,726,312</u>	<u>19,293,728</u>
Non-current liabilities			
Interest bearing loans and borrowings	24	7,018,279	6,110,810
Retirement benefit obligation	25	251,090	252,158
Government grant	26	590,618	608,963
Deferred tax liability	14(c)	2,456,188	2,871,885
		<u>10,316,175</u>	<u>9,843,816</u>
Current liabilities			
Trade and other payables	27	10,370,733	9,076,011
Interest bearing loans and borrowings	24	8,979,029	11,663,085
Bank Overdraft	23	1,283,797	781,784
Other financial liabilities	28	15,646,950	10,000,000
Government grant	26	687,468	392,863
Income tax payable	14(b)	2,349,129	839,094
Unclaimed dividend	29(a)	133,887	100,745
		<u>39,450,993</u>	<u>32,853,582</u>
Total liabilities		<u>49,767,168</u>	<u>42,697,398</u>
Total equity and liabilities		<u>73,493,480</u>	<u>61,991,126</u>

*Please refer to Note 43 for the impact of restatement.

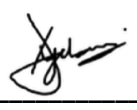
Signed on Behalf of the Board of Directors on 27 March 2025



Fidelis Ayebae
Managing Director/CEO
FRC/2013/PRO/DIR/003/0000002376



Abiola Adebayo
Deputy Managing Director
FRC/2013/PRO/DIR/0000002162



Imokha Ayebae
Finance Director
FRC/2021/PRO/ANAN/001/00000023145

The Notes on pages 29 to 82 form an integral part of these financial statements.

Statement of Changes in Equity

	Share capital N'000	Share premium N'000	Retained earnings N'000	Financial asset reserve N'000	Total Equity N'000
At 1 January 2023	1,147,498	4,829,614	10,941,812	355	16,919,279
Profit for the year	-	-	3,607,593	-	3,607,593
Other comprehensive income for the year, net	-	-	26,174	2,930	29,104
Total comprehensive income for the year	-	-	3,633,767	2,930	3,636,697
Dividends (Note 29)			(1,262,248)		(1,262,248)
At 31 December 2023	1,147,498	4,829,614	13,313,331	3,285	19,293,728
At 1 January 2024	1,147,498	4,829,614	13,313,331	3,285	19,293,728
Profit for the year	-	-	5,779,384	-	5,779,384
Other comprehensive income for the year, net	-	-	28,828	1,370	30,198
Total comprehensive income for the year	-	-	5,808,212	1,370	5,809,582
Dividends (Note 29)	-	-	(1,376,998)	-	(1,376,998)
At 31 December 2024	1,147,498	4,829,614	17,744,545	4,655	23,726,312

The Notes on pages 29 to 82 form an integral part of these financial statements.

Statement of Cash Flows

	Notes	31-Dec-24 N '000	31-Dec-23 N '000
Operating activities:			
Profit before tax		7,700,460	5,917,409
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	15	1,496,671	1,127,153
Depreciation - Right of use assets	16	35,384	57,690
Reversal in CWIP	15	20,103	202,775
Impairment loss	21(b)	301,440	227,782
Gain on disposal of plant, property and equipment		(891)	(8,289)
Gain/(Loss) on disposal of Right of Use Assets		(14)	2
Net exchange difference on loan		(174,747)	(881,180)
Amortisation of government grant	7	(443,787)	(399,907)
Amortisation of Intangible assets	8(a)	135,595	81,891
Interest income on loan receivable	12	(1,732)	(1,491)
Interest income in other non-current financial asset	12	(13,673)	(9,890)
Interest income on fixed deposit	12	(44,617)	(11,627)
Finance costs	11	5,493,822	2,101,868
Changes in working capital:			
Trade and other receivables		(621,833)	(1,866,213)
Prepayments		(7,259,470)	(3,407,573)
Inventories		(7,825,345)	(1,750,163)
Other investments		242,780	(485,010)
Trade and other payables		1,294,722	2,060,281
		334,868	2,955,508
Income tax paid	14(b)	(839,094)	(1,396,272)
Benefits paid	25	(1,067)	(11,444)
Net cash flows (used in)/generated from operating activities		(505,293)	1,547,792
Cash flows from investing activities:			
Purchase of property, plant & equipment	15	(3,693,094)	(4,445,588)
Additions to intangible assets	17	(175,489)	(83,924)
Interest received	12	44,617	11,627
Proceeds from sale of property, plant and equipment		2,970	17,377
Proceeds from sale of right of use asset		336	8,075
Net cash flows utilized by investing activities		(3,820,660)	(4,492,433)
Cash flows from financing activities:			
Payments of lease liabilities		-	(59,379)
Interest paid on borrowings	24(a)	(1,796,209)	(1,454,692)
Interest paid on financial liabilities	11	(3,152,716)	(594,099)
Dividend paid	29	(1,376,998)	(1,262,248)
Received/(Refund) of unclaimed dividend	29(b)	33,142	(7,395)
Proceed from loans & borrowings	24(h)	8,300,000	11,105,017
Proceed from other financial liabilities	28	15,646,950	10,000,000
Loan repayment (Principal)- Other financial liabilities	28	(10,000,000)	(3,000,000)
Loan repayment (Principal)	24(a)	(9,685,504)	(3,602,836)
Net cash flows (used)/provided by financing activities		(2,031,335)	11,124,368
Net (decrease)/ increase in cash and cash equivalents		(6,357,288)	8,179,727
Cash and cash equivalents at beginning of year		10,004,859	1,825,132
Cash and cash equivalents, at end of the year	23	3,647,571	10,004,859

The Notes on pages 29 to 82 form an integral part of these Financial Statements.

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 39.91% directly by the Directors, 5.74% indirectly by the Directors and 54.35% 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 Standards as issued by the International Accounting Standards Board, 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 2024 with comparative amounts for the year ended 31 December 2023.

2.1 Basis of preparation and measurement

These financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) that are effective at 31 December 2024 and Financial Reporting Council (Amendment) Act 2023, and the requirements of Companies and Allied Matters Act (CAMA) of Nigeria. The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value.

2.2 Functional Currencies

The financial statements are presented in the Nigerian Naira which is the company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, except when otherwise indicated.

2.3 Reclassification

A reclassification was made relating to financial asset at amortised cost made to prior year's financial statements to aid comparability with the current year's financial statements. Refer to Note 43.

2.4 Material accounting policy information

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

2.4.1 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.

Notes to the Financial Statements

2.4.1 Current versus non-current classification (cont'd)

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.

2.4.2 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 18.

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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 40b for fair value hierarchy.

2.4.3 Revenue recognition

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

Revenue is recognised by applying a five-step approach:

- Identify the contract
- Identify the separate performance obligations in the contract for Ethical and OTC when the products are delivered to the customer and for consumer healthcare when the customer picks up the product from the factory.
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when (or as) each performance obligation is accomplished (delivery of Ethical and Consumer healthcare product)

Notes to the financial statements

2.4.3 Revenue recognition (cont'd)

The Company recognises revenue from the following major sources:

- Sale of Ethical Products, ethical product category are infusion, capsule, and tablet. Revenue is recognised when products are delivered to customers.
- Sale of Over the Counter (OTC) products. OTC product category are tablet, capsule, and syrup. Herbal product. Revenue is recognised when products are delivered to customer.
- The company also recognises revenue from manufacturing pharmaceutical products on behalf of its customers. The performance obligation in this type of contract involves the delivery of finished pharmaceutical drugs to its customers. Revenue is recognised overtime for this type of contract.

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 the ethical and OTC products are delivered to the customer and or when the consumer healthcare customer picks their product from the factory.

Cost to obtain a contract.

In addition to the cost of the product, the Company pays sales commission to its employees and distributor for certain contracts that they obtain for sales of products. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under sales expenses) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Dividends

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

2.4.4 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.

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.

2.4.5 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.

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

Notes to the financial statements**2.4.5 Taxes (cont'd)****Current income tax (cont'd)**

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.
- 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.

Notes to the financial statements

2.4.5 Taxes (cont'd)

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.

2.4.6 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.

2.4.7 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. Depreciation commences once asset is available for use. 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.

Notes to the financial statements

2.4.7 Property plant and equipment (cont'd)

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.

2.4.8 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 (less than N50,000) (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.

Notes to the financial statements**2.4.8 Leases (cont'd)**

- 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.

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.

Notes to the financial statements**2.4.8 Leases (cont'd)**

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.

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.

2.4.9 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.

2.4.10 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.

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.

2.4.11 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.

Notes to the financial statements**2.4.8 Leases (cont'd)**

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.

2.4.12 Financial instruments**(a) 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 Fidson (e.g., derivatives resulting in an asset, bonds, and investments)

(i) Recognition and initial measurement

Financial instruments carried at fair value through profit or loss are initially recognised at fair value with transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, being recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments are recognised or de-recognised on the date the company settles the purchase or sale of the instruments (settlement date accounting).

(ii) Classification and Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

Classification**(a) Financial assets**

Subsequent to initial recognition, all financial assets within the company are measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- or Fair value through profit or loss (FVTPL)

The company's financial assets are subsequently measured at amortised cost if they meet both of the following criteria and are not designated as at FVTPL:

Notes to the financial statements**2.4.12 Financial instruments (cont'd)****(a) Financial assets (cont'd)**

Hold to collect' business model test - The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

Solely payments of principal and interest rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Debt instruments are measured at amortised cost by the company if they meet both of the following criteria and are not designated as at FVTPL:

Hold to collect and sell' business model test: The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and

Solely payments of principal and interest contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets including equity investments are measured at fair value

A financial asset is classified and measured at fair value through profit or loss (FVTPL) by the company if the financial asset is:

- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the company has not irrevocably elected to classify as at FVOCI and present subsequent changes in fair value in OCI;
- A financial asset where the company has elected to measure the asset at FVTPL under the fair value option.

(b) Financial liability

Financial liabilities are either classified by the company as:

- Financial liabilities at amortised cost; or
- Financial liabilities as at fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost by the company unless either:

- The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- The company elects to measure the financial liability at FVTPL (using the fair value option).

- 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.

Notes to the financial statements

2.4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

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 assets 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.

(i) Amortised cost

Fidson's financial assets and liabilities are measured at amortised cost, FVTOCI, including, 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.

(ii) 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.

(iii) 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.

Notes to the financial statements

2.4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Expected credit loss (ECL) (cont'd)

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.

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.

Notes to the financial statements**2.4.12 Financial instruments (cont'd)****(a) Financial assets (cont'd)****(iii) Expected credit loss (ECL) (cont'd)****b) The general impairment approach (cont'd)**

- 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.

(iv) Impairment of financial asset investments

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 financial asset, 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.

Notes to the financial statements**2.4.12 Financial instruments (cont'd)****(a) Financial assets (cont'd)****(v) 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 a pass-through arrangement and has neither transferred nor retained substantially all 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.

(vi) 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.

(vii) 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.

Notes to the financial statements**2.4.13 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.

Finished goods with six (6) months or less to expiration and expired materials are provided in the profit or loss account.

2.4.14 Inventory write-off

The Company writes off inventory that is no longer usable, obsolete, or cannot be sold. Inventory write-offs are recorded as a loss in the Statement of Comprehensive Income.

2.4.15 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.

2.4.16 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.

2.4.17 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**2.4.17 Pension and other post-employment benefits (cont'd)****Defined contribution scheme**

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.

2.4.18 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 for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

2.4.19 Segment reporting

For management purposes, the Company is organised into business units based on its products and has three 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 healthcare product which represent manufacturing product for customers.

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.

Notes to the financial statements

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:

- Financial risk management and policies - Note 39
- Capital management - Note 41

3.1 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 25 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 40a for further disclosures.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that the financial assets is impaired. Financial assets are 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 financial assets at FVTOCI that can be reliably estimated. The objective evidence the Management relies upon in assessing the financial assets at FVTOCI 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 objective evidence of impairment.

Notes to the financial statements

3.1 Estimates and assumptions (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 financial assets at FVTOCI 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 18a on the details of financial instrument.

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.

4.0 ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

4.1 Standards and interpretations effective and adopted in the current year

At the date of authorisation of these financial statements, the following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

IFRS	Standard/ Interpretation:	Effective date
IFRS 7	Financial Instruments - Disclosure Amended by Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); the amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements	Effective for annual periods beginning on or after 1 January 2024
IFRS 16	Leases Amended by Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Effective for annual periods beginning on or after 1 January 2024
IAS 1	Presentation of Financial Statements Amendments by Non-current liabilities with covenants (Amendments to IAS 1).	Effective for annual periods beginning on or after 1 January 2024
IAS 7	Statement of Cash Flows Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Effective for annual periods beginning on or after 1 January 2024

The adoption of the standards above has not had a material impact on the results of the Company, but has resulted in more disclosure than would have previously been provided in the Financial Statements.

Notes to the financial statements

4.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2024 or later periods:

IFRS	Standard/ Interpretation:	Effective date: Years beginning on or after 1 January 2024	Expected impact:
IFRS 1	First Time Adoption of International Financial Reporting Standards Amended by Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
IFRS 7	Financial Instruments - Disclosure Amended by Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
	Amended by <i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
	Amended by IFRS 18 Presentation and Disclosure in Financial Statements; the amendments move the disclosure requirements in IAS 1:80A and IAS 1:136A regards puttable financial instruments classified as equity instruments to IFRS 7	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact
IFRS 9	Financial Instruments Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) published	Annual reporting periods beginning on or after 1 January 2026. An entity is required to apply the amendments retrospectively.	Unlikely there will be a material impact
	Amended by Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) published	Annual reporting periods beginning on or after 1 January 2026. An entity is required to apply the amendments retrospectively.	Unlikely there will be a material impact

Notes to the financial statements

4.2 Standards and interpretations not yet effective (cont'd)

IFRS 10	Consolidated Financial Statement		
	Amendment on Sale or Contribution of Assets between an investor and its associate or joint venture.	Deferred indefinitely	Unlikely there will be a material impact
	Amended by <i>Effective Date of Amendments to IFRS 10 and IAS 28</i>	Deferred indefinitely	Unlikely there will be a material impact
	Amended by Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
IFRS 18	Presentation and Disclosure in Financial Statements		
	IFRS 18 Presentation and Disclosure in Financial Statements issued	Effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2027	Unlikely there will be a material impact
IFRS 19	Subsidiaries without Public Accountability: Disclosures		
	An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements. For disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances.	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact

Notes to the financial statements

4.2 Standards and interpretations not yet effective (cont'd)

International Accounting Standards ("IAS")

IAS	Standard/ Interpretation:	Effective date: Years beginning on or after 1 January 2023	Expected impact:
IAS 7	Statement of Cash Flows Amended by Annual Improvements to IFRS Accounting Standards — Volume 11	Annual reporting periods beginning on or after 1 January 2026.	Unlikely there will be a material impact
	Amended by IFRS 18 Presentation and Disclosure in Financial Statements	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors IAS 8 (2005) will be superseded by IAS 8 (2024) Basis of Preparation of Financial Statements when an entity applies IFRS 18 Presentation and Disclosure in Financial Statements	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact
IAS 21	The Effect of Changes in Foreign Exchange Rates Amendments to IAS 12 - Lack of exchangeability issued.	Annual reporting periods beginning on or after 1 January 2025.	Unlikely there will be a material impact
IAS 33	Earnings Per Share Amended by IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact
IAS 34	Interim Financial Reporting Amended by IFRS 18 Presentation and Disclosure in Financial Statements	Annual reporting periods beginning on or after 1 January 2027.	Unlikely there will be a material impact

None of these standards are expected to have a material impact on the financial statements.

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
5. Revenue		
Sales of goods		
Consumer Healthcare (Toll Manufacturing)	2,803,121	4,582,626
Ethical	55,002,687	32,590,249
Over-The-Counter (OTC)	26,383,192	15,877,479
	<u>84,189,000</u>	<u>53,050,354</u>
Geographical location:		
Revenue earned in Nigeria	84,189,000	53,050,354
Revenue earned outside Nigeria	-	-
	<u>84,189,000</u>	<u>53,050,354</u>
Revenue represents the net value of goods invoiced to third parties locally.		
6. Cost of sales		
Consumer Healthcare (Toll Manufacturing)	2,153,269	3,769,934
Ethical	25,791,902	15,645,179
Over The Counter (OTC)	12,463,285	7,548,596
Depreciation of factory PPE (Note 8(a))	1,006,144	770,176
Energy	4,304,418	1,853,154
Personnel Cost (Note 8 (b))	1,989,047	1,608,479
Other factory overheads	1,376,551	783,927
	<u>49,084,616</u>	<u>31,979,445</u>
7. Other gains and losses		
Amortization of government grant	443,787	399,907
Other operating income	13,453	10,986
Gain on disposal of property, plant and equipment	905	8,287
Sale of scrap	153,726	77,886
	<u>611,871</u>	<u>497,066</u>

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
8. Administrative expenses		
Association and Membership	8,346	13,309
Audit fee	31,000	22,500
Conferences and Workshop	20,030	19,920
Consultancy fees	318,520	408,083
Corporate social responsibility/Donations	248,405	186,624
Depreciation and amortisation (Notes 8(a))	661,506	496,561
Diesel and fuel	319,627	254,968
Insurance	264,175	202,963
Legal	30,548	5,964
Office supplies	40,901	37,346
AGM Expenses	19,888	16,595
Directors Expenses (Non-Executives)	36,870	36,825
Bank administrative fee	480,476	278,116
Personnel costs (Note 8(b))	3,396,623	2,889,288
Printing & stationery	93,368	144,694
Repairs and maintenance	646,032	281,013
Outsourced cleaning and security expenses	69,878	39,759
Telephone & postage	174,605	102,233
Training	48,770	36,154
Travelling and entertainment	806,050	590,878
Permit and Dues	104,865	118,994
Auxiliary materials & Tools	286,838	225,268
Canteen expenses	176,768	124,776
Medical expenses	131,472	-
Inventory write-off	296,564	-
	8,712,125	6,532,831
8(a). Depreciation and amortization		
Depreciation of property, plant and equipment	1,496,671	1,127,156
Depreciation of Rights of use assets	35,384	57,690
Depreciation of property, plant and equipment included in cost of sales (Note 6)	(1,006,144)	(770,176)
	525,911	414,670
Depreciation of investment property	-	-
Amortisation of intangible assets	135,595	81,891
	661,506	496,561
8(b). Personnel costs		
Gratuity	37,218	37,392
Pension cost	121,310	111,593
Salary and wages	3,238,095	2,740,303
	3,396,623	2,889,288
Total reported in admin (Note 8)	3,396,623	2,889,288
Included in cost of sales (Note 6)	1,989,047	1,608,479
	5,385,670	4,497,767

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
9. Net exchange loss		
Exchange Loss	<u>5,448,891</u>	<u>1,261,246</u>
10. Selling and distribution expenses		
Promotion and advertisement	626,930	1,183,374
Sales expenses	4,328,631	2,424,424
Logistic expenses	<u>3,163,978</u>	<u>1,942,050</u>
	<u>8,119,539</u>	<u>5,549,848</u>
11. Finance costs		
Interest on bank loans	2,299,922	1,466,579
Interest on finance lease	-	3,798
Interest on defined benefit obligation	41,184	37,392
Interest on Commercial paper	<u>3,152,716</u>	<u>594,099</u>
	<u>5,493,822</u>	<u>2,101,868</u>
12. Finance income		
Interest earned on loans and receivables	1,732	1,491
Interest earned on other non-current financial asset	13,673	9,890
Interest on fixed deposit	<u>44,617</u>	<u>11,627</u>
	<u>60,022</u>	<u>23,008</u>
13. Profit before tax		
This is stated after charging and crediting:		
Amortisation of intangibles (Note 17)	135,595	81,891
Audit fee (Note 8)	31,000	22,500
Depreciation of property, plant and equipment (Note 15)	1,496,679	1,127,156
Depreciation of right of use assets (Note 16)	35,384	57,690
Finance cost (Note 11)	5,493,822	2,101,868
Finance income (Note 12)	(60,022)	(23,008)
Gain on disposal of property, plant and equipment	(891)	(8,289)
Gain/(Loss) on disposal of right of use assets	(14)	2
Personnel costs (Note 8b)	5,385,670	4,497,767
Net exchange loss (Note 9)	<u>5,448,891</u>	<u>1,261,246</u>

In addition to the statutory audit services, the auditors provided the review of management report on internal control over financial reporting for a fee of N9,000,000 (2023: N 7,500,000).

Notes to the financial statements

14. Taxation

14(a). Income tax expense

The major components of income tax expense for the year ended 31 December 2024:

	31-Dec-24	31-Dec-23
	N '000	N '000
Current income tax:		
Current year income tax charge	2,056,395	660,829
Current education tax charge	292,734	178,265
	<u>2,349,129</u>	<u>839,094</u>
Deferred tax		
Relating to origination of temporary differences	(428,053)	1,470,722
	<u>1,921,076</u>	<u>2,309,816</u>
Total income tax expense reported in the profit or loss		
	<u>1,921,076</u>	<u>2,309,816</u>
Reconciliation of tax charge:		
Profit before tax	7,700,460	5,917,409
Tax at Nigerian statutory income tax rate of 30%	2,310,138	1,775,223
Effect of other disallowable expenses	74,522	23,978
Difference in tax rates	(7,948)	11,203
Education tax @ 3% of assessable profit	292,349	178,265
Effect of movement on ROU	(83,804)	-
Police Trust Fund Levy	385	296
Effect of movement in CWIP	(589,240)	352,408
Effect of other non-timing differences	(47,949)	(31,557)
Adjustment to deferred tax recognised in current year in relation to prior year	(27,377)	-
	<u>1,921,076</u>	<u>2,309,816</u>
Effective tax rate	25%	39%
14(b). Income tax payable		
Current tax payable		
At 1 January	839,094	1,396,272
Charge for the year	2,349,129	839,094
Payments during the year	(839,094)	(1,396,272)
	<u>2,349,129</u>	<u>839,094</u>
At 31 December	2,349,129	839,094
14(c). Deferred tax liability		
At 1 January	2,871,885	1,389,945
Amounts recorded in profit or loss	(428,053)	1,470,722
Amounts recorded in other comprehensive income	12,356	11,218
	<u>2,456,188</u>	<u>2,871,885</u>
At 31 December	2,456,188	2,871,885

Notes to the financial statements

14(c). Deferred tax liability (cont'd)

	31-Dec-24 N '000	31-Dec-23 N '000
Deferred tax liability		
Deferred tax recognised in other comprehensive income:		
Re-measurement gain on defined benefit plan	12,356	11,218
Total deferred tax recognised in other comprehensive	<u>12,356</u>	<u>11,218</u>

2024	At 1st January N '000	Recognised in profit or loss N '000	Recognised in OCI N '000	At 31st December N '000
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	2,835,350	(114,346)	-	2,721,004
Employee benefit	(83,212)	351	12,356	(70,505)
Impairment of trade receivables	(120,120)	(99,475)	-	(219,595)
Unrealised exchange gain	290,790	(233,123)	-	57,667
Impairment on Inventory	(50,923)	18,540	-	(32,383)
	<u>2,871,885</u>	<u>(428,053)</u>	<u>12,356</u>	<u>2,456,188</u>

2023	Opening balance N '000	Recognised in profit or loss N '000	Recognised in OCI N '000	Closing balance N '000
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	1,738,075	1,097,275	-	2,835,350
Employee benefit	(75,515)	(18,915)	11,218	(83,212)
Impairment of trade receivables	(44,271)	(75,849)	-	(120,120)
Unrealised exchange loss	(246,544)	537,334	-	290,790
Impairment on Inventory	18,200	(69,123)	-	(50,923)
	<u>1,389,945</u>	<u>1,470,722</u>	<u>11,218</u>	<u>2,871,885</u>

Notes to the financial statements

15. Property, Plant and Equipment

	Land N'000	Building N'000	Motor Vehicles N'000	Office Equipment N'000	Plant Machinery N'000	Furniture & Fittings N'000	Capital WIP N'000	Total N'000
Cost:								
At 1 January, 2023	1,165,630	9,360,486	1,452,956	1,210,418	5,936,625	225,794	4,264,527	23,616,456
Additions during the year	-	291,947	98,976	146,253	700,535	193,698	3,014,179	4,445,588
Disposals	-	-	(83,800)	(260)	(20,825)	-	-	(104,885)
Reversal from CWIP (Note 15.2)	-	-	-	-	-	-	(202,775)	(202,775)
Reclassification (Note 15.3)	-	2,318,231	442,043	1,566	1,224,259	-	(3,986,099)	-
At 1 January, 2024	1,165,630	11,970,664	1,910,175	1,357,977	7,840,594	419,492	3,089,832	27,754,384
Additions during the year	-	-	873,188	172,781	415,407	28,910	2,202,808	3,693,094
Disposals	-	-	(29,993)	(8,238)	-	-	-	(38,231)
Transfer from ROU (Note 15.1)	-	-	206,556	-	449,429	-	-	655,985
Reclassification (Note 15.3)	-	-	-	13,411	205,184	-	(218,595)	-
Reversal from CWIP (Note 15.2)	-	-	-	-	-	-	(20,103)	(20,103)
At 31 December, 2024	1,165,630	11,970,664	2,959,923	1,535,931	8,910,618	448,400	5,053,966	32,045,129
Accumulated depreciation:								
At 1 January 2023	-	929,356	585,970	782,114	1,606,334	147,094	-	4,050,868
Charge for the year	-	182,315	296,364	501,674	501,674	18,726	-	1,127,153
Disposal	-	-	(75,984)	(31)	(19,784)	-	-	(95,799)
At 1 January 2024	-	1,111,671	806,350	910,157	2,088,224	165,820	-	5,082,222
Charge for the year	-	227,775	409,121	167,262	651,471	41,042	-	1,496,671
Transfer from ROU (Note 15.1)	-	-	196,228	-	180,411	-	-	376,639
Disposal	-	-	(28,326)	(7,826)	-	-	-	(36,152)
At 31 December, 2024	-	1,339,446	1,383,375	1,069,596	2,920,109	206,862	-	6,919,381
Carrying amount:								
At 31 December, 2024	1,165,630	10,631,218	1,576,548	466,335	5,990,509	241,538	5,053,966	25,125,748
At 31 December, 2023	1,165,630	10,858,993	1,103,825	447,820	5,752,370	253,672	3,089,832	22,672,162

15.1. The Company took ownership on right-of-use asset of motor vehicle and plant & machinery as at 31 December 2024.

15.2. This represents reversal of initial transaction recognized in capital work in progress to the affected vendor's account, repairs and maintenance.

15.3. This represents reclassification from capital work in progress to property, plant and equipment.

15.4. The company's assets have been pledged as security for bank borrowings to the tune of the outstanding balance of total borrowings at the reporting date.

15.5. The company is not allowed to pledge or sell these assets as security for other borrowings or sell them to another entity.

Notes to the financial statements

16. Right of use assets

	Motor Vehicles N'000	Plant Machinery N'000	Total N'000
Cost:			
At 1 January 2023	333,776	449,428	783,204
Disposals	(120,784)		(120,784)
At 31 December 2023	212,992	449,428	662,420
Transfer to Property, plant and equipment	(206,556)	(449,428)	(655,984)
Disposal	(6,437)	-	(6,437)
At 31 December, 2024	-	-	-
Accumulated depreciation:			
At 1 January 2023	289,686	112,701	402,387
Charge for the year	23,835	33,855	57,690
Disposal	(112,707)	-	(112,707)
At 31 December, 2023	200,814	146,556	347,370
Charge for the year	1,529	33,855	35,384
Transfer to Property, plant and equipment	(196,228)	(180,411)	(376,639)
Disposal	(6,115)	-	(6,115)
At 31 December, 2024	-	-	-
Carrying amount:			
At 31 December, 2024	-	-	-
At 31 December, 2023	12,178	302,872	315,050

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

The Company took ownership on right-of-use asset of motor vehicle and plant & machinery as at 31 December 2024. The Company has presented right-of use assets within property, plant and equipment (PPE) on the same line item in which it presents underlying assets of the same nature that it owns.

	31-Dec-24 N '000	31-Dec-23 N '000
Amounts recognised in profit or loss		
Depreciation expense on right of use assets	-	57,690
Interest expenses on lease liabilities	-	3,798

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

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
17. Intangible assets		
Product licenses		
Cost:		
At 1 January	456,553	372,629
Additions	175,489	83,924
At 31 December	632,042	456,553
Amortisation:		
At 1 January	430,976	349,085
Charge for the year	135,595	81,891
At 31 December	566,571	430,976
Carrying amount	65,471	25,577

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.

	31-Dec-24	31-Dec-23
	N '000	N '000
18. Financial assets		
The Company's financial instruments are summarised by categories as follows:		
Financial assets (FVTOCI)	9,100	7,730
Financial assets at amortised cost	17,915	16,183
Total financial assets	27,015	23,913

	31-Dec-24	31-Dec-23
	N '000	N '000
18(a). Financial assets at FVTOCI		
Quoted equity at fair value (Zenith Bank Plc)		
At 1 January	7,730	4,800
Gain FVTOCI	1,370	2,930
At 31 December	9,100	7,730

The Company recognized a fair value gain of N1,370,000 (2023: N2,930,000) on financial instrument in quoted equities. The gain is recognized in other comprehensive income.

Notes to the financial statements

18(b)i. Financial assets at amortised cost

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

	31-Dec-24	31-Dec-23
	N '000	N '000
Investment with CardinalStone Partners	<u>17,915</u>	<u>16,183</u>
Total		

18(b)ii. Financial assets at amortised cost

Investment with Cardinal Stone Partners

At 1 January	14,367	12,876
Interest accrued	<u>1,732</u>	<u>1,491</u>
	16,099	14,367
Sinking Fund	<u>1,816</u>	<u>1,816</u>
At 31 December	<u>17,915</u>	<u>16,183</u>

CardinalStone Partners Limited is the portfolio management and custodial service provider for the Company towards meeting its payment on the bond. The bond was issued in 2014 and fully repaid in 2019. The balance above represents the residual portion of the investment towards repayment.

Refer to Note 43 for the impact of restatement.

	31-Dec-24	31-Dec-23
	N '000	N '000
18(b)iii. Financial asset - forward contracts		
At 1 January	485,010	-
Addition	-	485,010
Redeemed	<u>(242,780)</u>	<u>-</u>
At 31 December	<u>242,230</u>	<u>485,010</u>
Analysed as follows:		
Current	242,230	485,010
Non Current	<u>-</u>	<u>-</u>
At 31 December	<u>242,230</u>	<u>485,010</u>

This amount represents the total value of letter of credits forward contracts yet to be delivered by CBN.

Refer to Note 43 for the impact of restatement."

	31-Dec-24	31-Dec-23
	N '000	N '000
19. Other non-current financial asset		
Meristem Trustees		
At 1 January	184,432	174,542
Accrued interest	<u>13,674</u>	<u>9,890</u>
Total	<u>198,106</u>	<u>184,432</u>

The amount represents the balance transferred from ALM Trustee after their voluntary liquidation in 2022. It is the residual investment from the investment towards repayment of N2 billion bond that was fully repaid in 2019.

Notes to the financial statements

	31-Dec-24 N '000	31-Dec-23 N '000
20(a). Inventories		
Finished goods	11,235,035	5,767,551
Goods-in-transit	1,199,649	4,162,054
Raw and Packaging materials	11,055,375	6,051,990
Work- in- progress	294,023	27,710
Engineering spare parts	411,787	350,399
Promotional and Other Consumable Materials	234,077	146,768
	<u>24,429,946</u>	<u>16,506,472</u>
Total inventory write-down (Note 20 (b))	<u>(247,652)</u>	<u>(149,523)</u>
	24,182,294	16,356,949
20(b). Inventories write - down		
At 1 January	149,523	131,792
Additions	394,693	154,312
Write off	<u>(296,564)</u>	<u>(136,581)</u>
At 31 December	247,652	149,523

The Company did not pledge any inventory as collateral for loans. The value of inventory written down in the year is N247.6 million (2023: N149.5 million)

	31-Dec-24 N '000	31-Dec-23 N '000
21(a). Trade and other receivables		
Trade receivables (Note 21c)	5,752,103	5,693,528
Impairment Loss on trade receivables	<u>(196,313)</u>	<u>(252,661)</u>
	5,555,790	5,440,867
Other receivables (Note 21e)	1,121,552	558,299
Impairment Loss on other receivables	<u>(469,127)</u>	<u>(111,338)</u>
At 31 December	6,208,215	5,887,827
Analysed as follows:		
Current	6,208,215	5,887,827
Non Current	<u>-</u>	<u>-</u>
At 31 December	6,208,215	5,887,827

Other receivables relate to withholding tax, 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(a). 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.

As at 31 December 2024, the ageing analysis of trade receivables is as shown in Note 21c.

21(b). As at 31 December 2024, trade and other receivables valued at ₦665million (2023: ₦363million) were impaired and provided for. See below for the movements in the provision for impairment of trade receivables.

	Individually impaired 'N000
At 1 January 2023	136,218
Additions	227,781
At 31 December 2023	363,999
At 1 January 2024	364,000
Additions	301,440
At 31 December 2024	665,440

Notes to the financial statements

21(c).

		SUMMARY AGED RECEIVABLES AS AT 31 DECEMBER 2024							Balance N'000
		1-30 Days N'000	31-60 Days N'000	61-90 Days N'000	91-120 Days N'000	121-240 Days N'000	240-360 Days N'000	Above 360 Days N'000	
DISTRIBUTORS	Estimated total gross carrying amount at default	616,212	567,556	149,057	56,817	19,044	2,004	43,222	1,453,912
	HISTORICAL LOSS RATE	0.14%	0.25%	0.59%	3.51%	8.33%	14.81%	15.63%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	
	Expected credit loss (ECL) rate	0.19%	0.33%	1.10%	4.73%	11.23%	19.96%	21.06%	
	Lifetime Expected credit loss	1,164	1,896	1,638	2,690	2,139	402	9,104	19,033
INSTITUTIONS	Estimated total gross carrying amount at default	2,429,181	546,654	260,392	140,397	226,203	113,200	116,701	3,832,728
	HISTORICAL LOSS RATE	1.36%	3.24%	1.78%	4.73%	5.46%	9.76%	12.91%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	
	Expected credit loss (ECL) rate	1.83%	4.36%	5.41%	6.37%	7.36%	13.15%	17.40%	
	Lifetime Expected credit loss	44,442	23,839	14,076	8,950	16,640	14,888	20,307	143,142
REPS	Estimated total gross carrying amount at default	294,012	36,079	20,937	23,914	19,278	18,583	29,375	442,178
	HISTORICAL LOSS RATE	0.51%	3.63%	0.68%	4.45%	4.63%	4.93%	5.00%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	34.80%	34.08%	34.80%	34.80%	34.80%	34.08%	34.80%	
	Expected credit loss (ECL) rate	0.69%	4.89%	5.73%	5.99%	6.24%	6.65%	6.73%	
	Lifetime Expected credit loss	2,040	1,764	1,200	1,433	1,203	1,235	1,978	10,853
GOVT BUS	Estimated total gross carrying amount at default	-	-	-	-	-	-	-	-
	HISTORICAL LOSS RATE	64.40%	64.40%	64.40%	64.40%	64.40%	64.40%	32.20%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	34.80%	
	Expected credit loss (ECL) rate	99.20%	99.20%	99.20%	99.20%	99.20%	99.20%	33.08%	
	Lifetime Expected credit loss	-	-	-	-	-	-	-	-
EXITED STAFF	Estimated total gross carrying amount at default	-	-	-	-	-	-	23,285	23,285
	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	-	-	-	-	-	23,285	23,285
KEDI	Estimated total gross carrying amount at default	-	-	-	-	-	-	-	-
DEC 2024 SUMMARY	Total gross carrying amount at default	3,339,405	1,150,289	430,386	221,128	264,525	133,787	212,583	5,752,103
	Impaired item from trade receivables								196,313
	Impaired item from staff loan and Other Debtors	-	-	-	-	-	-	469,127	469,127
	Total lifetime expected credit loss	47,647	27,499	16,914	13,073	19,982	16,525	523,801	665,440
	Net Receivables	3,291,759	1,122,791	413,472	208,055	244,544	117,262	(311,218)	5,086,664

Notes to the financial statements

21(d).

SUMMARY AGED RECEIVABLES AS AT 31 DECEMBER 20243		1-30 Days N'000	31-60 Days N'000	61-90 Days N'000	91-120 Days N'000	121-240 Days N'000	240-360 Days N'000	Above 360 Days N'000	Balance N'000
DISTRIBUTORS	Estimated total gross carrying amount at default	1,274,540	838,662	145,859	31,254	32,019	19,959	49,261	2,391,554
	HISTORICAL LOSS RATE	0.14%	1.29%	1.04%	3.01%	3.38%	3.61%	3.64%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	0.19%	1.66%	2.88%	3.88%	4.35%	4.65%	4.69%	
	Lifetime Expected credit loss	2,378	13,955	4,198	1,214	1,393	928	2,312	26,378
INSTITUTIONS	Estimated total gross carrying amount at default	1,594,971	505,679	310,775	102,559	209,554	104,589	164,107	2,992,234
	HISTORICAL LOSS RATE	2.02%	5.73%	6.24%	7.64%	8.22%	9.24%	9.72%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	2.60%	7.39%	8.87%	9.85%	10.59%	11.91%	12.54%	
	Lifetime Expected credit loss	41,468	37,386	27,554	10,100	22,199	12,454	20,574	171,735
REPS	Estimated total gross carrying amount at default	174,636	14,719	10,766	8,130	20,726	8,458	25,564	262,999
	HISTORICAL LOSS RATE	0.53%	12.57%	7.82%	18.12%	19.18%	22.01%	22.74%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	0.68%	16.21%	21.47%	23.36%	24.73%	28.37%	29.32%	
	Lifetime Expected credit loss	1,191	2,385	2,312	1,899	5,125	2,400	7,495	22,807
GOVT BUS	Estimated total gross carrying amount at default	-	-	-	-	-	-	-	-
	HISTORICAL LOSS RATE	64.40%	64.40%	64.40%	64.40%	64.40%	64.40%	32.20%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	93.32%	93.32%	93.32%	93.32%	93.32%	93.32%	33.08%	
	Lifetime Expected credit loss	-	-	-	-	-	-	-	-
EXITED STAFF	Estimated total gross carrying amount at default	-	-	-	-	-	-	31,741	31,741
	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	-	-	-	-	-	31,741	31,741
KEDI	Estimated total gross carrying amount at default	-	15,000	-	-	-	-	-	15,000
DEC 2023 SUMMARY	Total gross carrying amount at default	3,044,147	1,374,060	467,399	141,943	262,299	133,006	270,673	5,693,527
	Impaired item from trade receivables								252,661
	Impaired item from staff loan and Other Debtors							111,338	111,338
	Total lifetime expected credit loss	45,037	53,726	34,064	13,213	28,717	15,782	173,460	363,999
Net Receivables	2,999,110	1,320,334	433,335	128,730	233,582	117,224	97,213	5,329,528	

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
21(e). Other receivables		
Withholding tax receivables (WHT)	306,432	192,516
Staff advances and other debtors	815,120	365,783
	1,121,552	558,299
At 31 December	1,121,552	558,299
22. Prepayments		
Advance to suppliers	11,742,052	4,122,214
Other prepayments	770,981	1,131,349
	12,513,033	5,253,563
At 31 December	12,513,033	5,253,563
Analysed as follows:		
Current	12,513,033	5,253,563
Non Current	-	-
	12,513,033	5,253,563
At 31 December	12,513,033	5,253,563

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 and offices outside Lagos.

	31-Dec-24	31-Dec-23
	N '000	N '000
23. Cash and bank balances		
Cash at hand	9,174	16,372
Bank balances	2,898,804	4,644,013
Short-term deposits (including demand and time deposits)	2,023,390	10,091
Restricted cash for letter of credit	-	6,116,167
	4,931,368	10,786,643
Total cash and bank balances	4,931,368	10,786,643

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%.

Restricted cash for letter of credit in the prior year is the amount used to settle LC liability.

There was no impairment on any cash and cash equivalents item.

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

	31-Dec-24	31-Dec-23
	N '000	N '000
Bank overdraft	(1,283,797)	(781,784)
Cash and cash equivalents	4,931,368	10,786,643
	3,647,571	10,004,859
	3,647,571	10,004,859

Notes to the financial statements

23. Cash and bank balances (cont'd)

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 22– 23%.

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.

	31-Dec-24	31-Dec-23
	N '000	N '000
24. Interest bearing loans and borrowings		
(Non-current portion)		
Bank of Industry ('BOI') 4 (Note 24b)	209,594	355,231
CBN DCRR/FCMB-Capex (Note 24d)	758,119	1,049,900
NEXIM/Fidelity-Capex (Note 24e)	-	280,371
Bank of Industry Term Loan 5billion (Note 24f)	1,692,687	2,532,940
Bank of Industry-N2.5Billion Capex (Note 24f)	1,493,980	1,892,368
Bank of industry - N5BN FCMB WC (Note 24h)	2,863,899	-
At 31 December	7,018,279	6,110,810
(current portion)		
Bank of Industry ('BOI') 4 (Note 24b)	162,266	162,162
CBN/DCRR/FCMB - CAPEX (Note 24d)	356,525	326,119
NEXIM/Fidelity-working capital (Note 24e)	300,174	400,000
Bank of Industry Term Loan 5billion (Note 24f)	1,000,000	1,000,000
Bank of Industry N2.5Billion Capex (Note 24g)	500,000	250,000
Bank of industry-N5BN FCMB WC (Note 24h)	1,500,000	-
Short term borrowings (Note 24g)	5,160,064	9,524,804
At 31 December	8,979,029	11,663,085
Total	15,997,308	17,773,893
24(a). Reconciliation of interest bearing loans		
At 1 January	17,773,893	11,544,852
Interest expense	2,299,922	1,466,579
Additions	8,300,000	11,105,017
Transfer to Government grant	(720,047)	(403,847)
Principal repayment	(9,685,504)	(3,602,836)
Interest paid	(1,796,209)	(1,454,692)
Exchange difference	(174,747)	(881,180)
Total	15,997,308	17,773,893

Notes to the financial statements

- 24(b)** 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 augment working capital has been fully repaid.

A fair value of the loan was obtained using an estimated market rate of 16%. The difference between the loan rate and market rate accounted for a grant element of N161.35m. This was recognized as a government grant and will be amortized to 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 was extended by one year 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.

- 24(c)** 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. N2billion is for acquisition of CAPEX while N500million is for working capital. The working capital portion has been fully repaid. The principal and interest shall be in twenty equal instalments and the interest shall be 9% per annum. However the CBN concessionary rate of 5% elapsed on February 28, 2021. In addition, the moratorium period for principal repayment was further extended by another one year till 2022.

- 24(d)** Nexim Loan is a N3billion Nigerian Export-Import bank loan under the direct lending 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. The working capital loan has been paid off.

- 24(e)** The new BOI facility is a 6years period term loan of N5billion of which the sum of N2billion was disbursed in 2022 while N3billion was disbursed in 2023. The initial interest rate on the facility is 5% which elapsed in February 2022 and current interest rate on the facility is 9%. The security on the borrowing is a tripartite legal mortgage over the property.

- 24(f)** The BOI facility of N2.5billion secured in 2023, was obtained for a period of 6years for additional equipment finance due to the expansion of our production facility. The interest rate on the facility is 10% with a 12 month moratorium. The security on the borrowing is a tripartite legal mortgage over the property.

- 24(g)** Short- term borrowings above are current and are expected to be settled within 12 months of the reporting date. The loans from Wema Bank, Lotus, Coronation and Rand Merchant Bank are secured by Naira cash provided to the banks. The security on the borrowings from FCMB and Fidelity Bank is a tripartite legal mortgage over the property of the Company and attract an interest rate of 30% .

- 24(h)** The new BOI facility is a 3years period working capital loan of N8.3billion which was disbursed in October 2024. The interest rate on the facility is 14% with a 6 months moratorium. The security on the loan is from FCMB already included in the Trust Deed managed by Meristem Trustees.

Notes to the financial statements

24. Interest bearing loans and borrowings (cont'd)

	31-Dec-24	31-Dec-23
	N '000	N '000
Details of short-term borrowings are as follows:		
FCMB-bankers acceptance	3,357,230	800,000
Wema LC Liability	40,775	1,217,541
Coronation	201,456	1,294,068
Lotus Bank LC Liability	32,259	1,690,116
Parallellex bank LC Liability	-	3,052,310
Nova Bank LC Liability	-	1,470,769
FCMB Liability	1,528,344	-
At 31 December	5,160,064	9,524,804

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 .

	31-Dec-24	31-Dec-23
	N '000	N '000
25. Retirement benefit obligation		
Net benefit expense (recognised in administrative expenses)		
Interest cost on benefit obligation	41,184	37,392
Defined benefit liability	251,090	252,158

The 2024 actuarial valuation was carried out by Ernest & young and signed by Miller Kingsley with FRC number FRC/2012/NAS/00000002392.

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

	31-Dec-24	31-Dec-23
	N '000	N '000
Defined benefit liability at 1 January	252,158	263,602
Interest cost	41,184	37,392
Benefits paid	(1,067)	(11,444)
Re-measurement gain on obligation(experience adjustment)	(41,185)	(37,392)
	251,090	252,158

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

Financial Assumptions

	2024	2023
(Long Term Average)	%	%
Discount Rate (p.a)	17.5%	16.7
Average Pay Increase (p.a)	0	N/A
Average Rate of Inflation (p.a)	16.0%	14.5
Rate of future Interest Credit (p.a)	17.5%	16.7

Notes to the financial statements

25. Retirement benefit obligation (cont'd)

Sensitivity Analysis on Accrued Liability

Year 2024	Accrued Liability ₦'000
Base	251,090
Discount rate	251,090
Discount rate	251,090
Age rated up to 1 year	251,090
Mortality rate	251,090
Age rated down by 1 year	251,090

Year 2023	Accrued Liability ₦'000
Base	252,158
Discount rate	1% 252,158
Discount rate	-1% 252,158
Age rated up to 1 year	252,158
Mortality rate	252,158
Age rated down by 1 year	252,158

Demographic Assumptions

Mortality in Service

(Sample Ages)	Number of deaths in the year out of 10,000 lives	
	2024	2023
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service (Age Band)	2024	2023
	%	%
Less than or equal to 30	7.5	7.5
31 – 39	6	6
40 – 44	5	5
45 – 60	3	3

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

Notes to the financial statements

25. Retirement benefit obligation (cont'd)

Valuation Assumptions

	2024	2023
	%	%
Less than or equal to 30	7.5	7.5
31 – 39	6	6
40 – 44	5	5
45 – 60	3	3

The discount rate of the company is determined on balance sheet date by reference to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds).

The company has a medium-term strategy of increasing salaries to reflect inflation, the actuaries prudently allowed for 1% margin for 2024.

Accrued Liability

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:

	2024	2023
	₦'000	₦'000
Within the next 12 months (next annual reporting period)	60,884	11,095
Between 2 and 5 years	132,715	189,966
Between 5 and 10 years	385,177	366,656
Beyond 10 years	215,927	248,881
	794,703	816,598

The weighted average duration of the defined benefit plan obligation is 5.64 years (5.87 years in 2023)

	31-Dec-24	31-Dec-23
	N '000	N '000
26. Government grant		
At 1 January	1,001,826	997,886
Additions	720,047	403,847
Released to profit or loss (Note 7)	(443,787)	(399,907)
	1,278,086	1,001,826
Analysed as follows:		
Current	687,468	392,863
Non Current	590,618	608,963
	1,278,086	1,001,826
At 31 December	1,278,086	1,001,826

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 recognized in the Statement of Financial Position and are being amortized through the profit or loss on a systematic basis over the tenure of the loans.

Notes to the financial statements

		31-Dec-24	31-Dec-23
		N '000	N '000
27.	Trade and other payables		
	Trade payables	6,211,365	5,544,081
	Accruals	2,365,277	1,504,723
	Other payables (Note 27a)	1,794,091	2,027,207
		10,370,733	9,076,011
	At 31 December	10,370,733	9,076,011
27(a).	Other payables		
	Other creditors	1,122,132	1,504,541
	Withholding tax (WHT)	440,364	327,336
	Payable to the Directors	145,767	152,652
	Pay As You Earn (PAYE)	48,053	29,086
	Staff Cooperative	-	2,351
	NHF	1,302	964
	VAT Payable	667	507
	ECA Payable	2,973	-
	Staff Pension Fund	12,170	9,770
	Payable to the General Managers	20,663	-
		1,794,091	2,027,207
		1,794,091	2,027,207

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.

		31-Dec-24	31-Dec-23
		N '000	N '000
	Included in the other creditors are:		
	Distributors and sales representative	990,096	1,285,175
	Pioneer Director Retirement Liability	132,036	219,366
		1,122,132	1,504,541
		1,122,132	1,504,541
28.	Other current financial liabilities		
	Commercial paper		
	At 1 January	10,000,000	3,000,000
	Interest for the year	3,152,716	594,099
	Interest Paid	(3,152,716)	(594,099)
	Principal paid	(10,000,000)	(3,000,000)
	Additions	15,646,950	10,000,000
		15,646,950	10,000,000
		15,646,950	10,000,000

Notes to the financial statements

28. Other current financial liabilities (cont'd)

The commercial paper was raised to augment the working capital need of Fidson Healthcare Plc. This need arose as a result of constant depreciation of the naira against the dollar in the foreign exchange market. During the year, the company raised commercial paper in two tranches, series 10 and 11 of N11.07 billion and N4.57 billion at 25.5% and 27% interest rate, which will be due in January 2025 and April 2025, respectively .

In the prior year, the company raised commercial paper in two tranches, series 5&6 and 7&8 of N5 5billion and 5billion at 27.85% and 30.76% interest rate, which were duly paid in August 2024 and September 2024, respectively.

	31-Dec-24	31-Dec-23
	N '000	N '000
29. Dividends		
Dividends proposed	1,376,998	1,262,248
Paid during the year	<u>(1,376,998)</u>	<u>(1,262,248)</u>
	<u>-</u>	<u>-</u>
Dividends on ordinary shares:		
Proposed dividend for 2024: N1 per share (2023: N0.60k per share)	<u>2,294,996</u>	<u>1,376,998</u>
29(a). Unclaimed Dividend	<u>133,887</u>	<u>100,745</u>

The Unclaimed dividend relates to the amount returned by the registrar to the company in line with the regulatory requirements. This is accounted for as a current liability with the corresponding entry sitting in cash and cash equivalent.

	31-Dec-24	31-Dec-23
	N '000	N '000
29(b). Reconciliation of unclaimed dividend		
At 1 January	100,745	108,140
Additions	1,376,998	1,262,248
Payment	(1,376,998)	(1,262,248)
Refund/(payment) of unclaimed dividend	<u>33,142</u>	<u>(7,395)</u>
At 31 December	<u>133,887</u>	<u>100,745</u>
	31-Dec-24	31-Dec-23
	N '000	N '000
30 Share capital and reserves		
1. Issued and fully paid		
2,294,996,000 ordinary shares of 50k each	<u>1,147,498</u>	<u>1,147,498</u>
At 31 December	<u>1,147,498</u>	<u>1,147,498</u>

A total of 105,003,725 ordinary shares of 50 kobo each of the company have been earmarked for the company's Employee share scheme (Long Term Incentive Plan) as approved by the shareholders at the 22nd Annual General Meeting in 2022. The shares will only become part of the company's issued share capital when they are duly registered with the Securities and Exchange Commission.

Notes to the financial statements

	31-Dec-24	31-Dec-23
	N '000	N '000
31. SHARE PREMIUM		
At 1 January and 31 December	<u>4,829,614</u>	<u>4,829,614</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. A bonus issue of 208,636,025 ordinary share of 50kobo each by way of one new ordinary share of 50 kobo for every 10 ordinary share held as at the close of business on July 8, 2022 was approved by SEC in August 2022.

	31-Dec-24	31-Dec-23
	N '000	N '000
32. FAIR VALUE RESERVE		
The reserve records fair value changes in available for sale financial asset.		
At 1 January	3,285	355
Other Comprehensive gain for the year, net	<u>1,370</u>	<u>2,930</u>
At 31 December	<u>4,655</u>	<u>3,285</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.

33. Guarantees and other financial commitments

a Capital expenditure

The Company has proposed ₦2.89 billion (2023: N2.87 billion) for capital expenditure for 2024 financial year as follows:

- Contracted for: ₦746,800 million (2023: N466,980 Million)
- Not contracted for: ₦2.14 billion (2023: N2.40 billion)

b Financial commitments

The directors are of the opinion that all known liabilities and commitments have been considered 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.

Notes to the financial statements

34. Contingent liabilities

The company had no contingent liabilities as at 31 December 2024 (31 December 2023: Nil)

35. Related party transactions

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

35(a). Compensation of Key Management Personnel

	31-Dec-24	31-Dec-23
	₦'000	₦'000
Short-term employee benefits	754,013	530,261
Post-employment benefits	46,274	16,660
	<u>800,287</u>	<u>546,921</u>

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

	31-Dec-24	31-Dec-23
	Number	Number
N10,000,001 to N20,000,000	27	20
N20,000,001 and above	11	5
	<u>38</u>	<u>25</u>

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

35. Related party transactions (cont'd)

35(b). Directors' emoluments

The remuneration paid to the Directors is as follows:

	31-Dec-24	31-Dec-23
	₦'000	₦'000
Executive compensation	406,412	256,911
Fees and sitting allowance	17,370	18,412
	<u>423,782</u>	<u>275,323</u>

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

	31-Dec-24	31-Dec-23
	₦'000	₦'000
The Chairman	<u>5,500</u>	<u>5,500</u>
Highest paid Director	<u>90,000</u>	<u>70,000</u>

Notes to the financial statements

36. Information relating to employees

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

	31-Dec-24	31-Dec-23
	Number	Number
1,000,001- 1,500,000	-	61
1,500,001 -2,000,000	48	98
2,000,001 -2,500,000	100	83
2,500,001 -3,000,000	106	59
3,000,001 and above	420	349
	674	650

36.1. Staff

The average numbers of persons employed were as follows:

	Numbers	Numbers
Executive Management	25	24
Commercial and Marketing	222	192
Production	263	266
Operation	95	94
Finance and Admin	69	74
	674	650

37. Segment information

For management purposes, the performance of the business is assessed along product classes. Three 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 revenue. Revenue for over-the-counter product accounts for 29% of total revenue, while Ethical product accounts for 61%. Revenue from north region accounts for 30% 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.

Notes to the financial statements

37. Segment information (cont'd)

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

	31-Dec-24	31-Dec-23
	₦'000	₦'000
Revenue:		
Consumer Healthcare (Toll Manufacturing)	2,803,121	4,582,626
Ethical	55,002,687	32,590,249
Over-The-Counter	26,383,192	15,877,479
	<hr/>	<hr/>
Total Revenue	84,189,000	53,050,354
	<hr/> <hr/>	<hr/> <hr/>
Cost of sales		
Consumer Healthcare (Toll Manufacturing)	2,153,269	3,769,934
Ethical	25,791,902	15,645,179
Over The Counter (OTC)	12,463,285	7,548,596
Depreciation of factory PPE (Note 15)	1,006,144	770,176
Energy	4,304,418	1,853,154
Personnel Cost	1,989,047	1,608,479
Other Factory Overheads	1,376,551	783,927
	<hr/>	<hr/>
	49,084,616	31,979,445
	<hr/> <hr/>	<hr/> <hr/>

37.1. Geographical Information

Currently the company's operations are domiciled only in Nigeria.

37.2. Information about Major customers

Included in Revenue are revenues of approximately N3.26 billion (2023: N1.74 billion) which arose from sales to the company's largest customer. In addition, four other customers contributed more than 12% to the company's revenue altogether amounting to N9.78 billion (2023: N6.10 billion)

38. REMUNERATION OF AUDITORS

The auditor of Fidson Healthcare Plc is Deloitte & Touche (Chartered Accountants)

	30 June	30 June
	2024	2023
	=N=	=N=
Audit or review of financial reports:		
Audit of the Company	31,000	22,500
	<hr/>	<hr/>
Total audit services	31,000	22,500
	<hr/> <hr/>	<hr/> <hr/>
Other assurance and agreed-upon procedures under other legislation or contractual agreements	-	-
	<hr/>	<hr/>
Total assurance services	-	-
	<hr/> <hr/>	<hr/> <hr/>
Tax Consulting services	-	-
Digital advisory services	-	-
Internal Control over Financial reporting	-	-
	<hr/>	<hr/>
Total other services	-	-
	<hr/> <hr/>	<hr/> <hr/>
Total auditor's remuneration	31,000	22,500
	<hr/> <hr/>	<hr/> <hr/>

All amounts were paid to Deloitte & Touche (Chartered Accountants) by the Company for the audit service rendered. Fees are billed in local currency.

Notes to the financial statements

39. Financial instruments risk management objectives and policies

The company deploys a few financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities of the Company comprise bank borrowings and trade payables 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 financial assets (FVTOCI), financial assets at amortised cost, 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 or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return. The Company manages market risks by keeping costs low through various cost optimization programmes. Moreover, market developments are monitored and discussed regularly and mitigating actions are taken where necessary.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The company is exposed to foreign currency risk as a result of borrowings which are denominated in foreign currencies.

Obligation to foreign vendors

The net carrying amount, in foreign currency of the above exposure was as follows:

US Dollar exposure:

	31-Dec-24	31-Dec-23
	\$	\$
	\$'000	\$'000
Current liabilities:		
US Dollars - Foreign vendors	1,230	-
US Dollars - Letters of credit	5,103	9,252
Net US Dollar exposure	6,333	9,252
	₦	₦
Exchange rates	1525.82	899.89

Notes to the financial statements**39. Financial instruments risk management objectives and policies (cont'd)****Foreign currency sensitivity analysis**

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	<u>2024</u> <u>N'000</u>	<u>2024</u> <u>N'000</u>	<u>2023</u> <u>N'000</u>	<u>2023</u> <u>N'000</u>
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Increase or decrease in rate				
Impact on profit or loss:				
US Dollar 10% (2023: 10%)	(187,676)	(187,676)	(832,592)	(832,592)

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.

Interest rate profile

The interest rate profile of interest-bearing financial instruments at the end of the reporting period was as follows:

	<u>31-Dec-24</u> <u>N'000</u>	<u>31-Dec-23</u> <u>N'000</u>
Fixed rate instruments:		
Overdraft	1,283,797	781,784
Commercial paper	15,646,950	10,000,000
Borrowings	15,977,308	17,773,893
	<u><u>32,908,055</u></u>	<u><u>28,555,677</u></u>

Interest rate sensitivity analysis

The Company does not account for any fixed or variable rate financial assets and liabilities, therefore a change in interest rates at the reporting date would not affect profit or loss.

	<u>2024</u> <u>N'000</u>	<u>2024</u> <u>N'000</u>	<u>2023</u> <u>N'000</u>	<u>2023</u> <u>N'000</u>
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Increase or decrease in rate				
Impact on profit or loss:				
Total borrowings 5% (2023: 5%)	(281,408)	(281,408)	(208,615)	(208,615)

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 financial assets (FVTOCI). This is because the investments are traded in an active market and are subject to price fluctuation.

At the reporting date, the exposure to listed equity securities at fair value was N9,100,000 (2023: N7,730,000). A reduction of 5% on the Nigerian Stock Exchange could have an impact of approximately N455,000 (2023: - N386,500) on the income or equity attributable to the Company, depending on whether or not the decline is significant or prolonged.

Notes to the financial statements**39. Financial instruments risk management objectives and policies (cont'd)****Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and related parties.

The carrying amount of receivable from customers and related parties represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting year represented below is the worst-case scenario of credit risk exposure

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The company has pledged no trade receivables during the year.

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 into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Company's exposure to credit risk on its financial assets at the reporting date are concentrated in a geographical region; Western Nigeria.

Loss rates are based on actual credit loss experience over the years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The increase in loss allowance is mainly attributable to the increase in the gross carrying amounts of trade receivables that are aged above 120 days.

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.

Cash and cash equivalents

The Company held cash and cash equivalents of ₦4.93 billion at 31 December 2024 (2023: ₦10.78 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment in current year was Nil (2023: Nil). The assessment is based on various bank ratings.

Notes to the financial statements

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

The details of financial assets at amortised cost are as follows:

	Notes	2024 Gross carrying amount N'000	2024 Credit loss allowance N'000	Amortised cost/ fair value N'000	2023 Gross carrying amount N'000	2023 Credit loss allowance N'000	Amortised cost/ fair value N'000
Trade receivables	21(a)	5,752,103	196,313	5,555,790	5,693,528	252,661	5,440,867
Cash and bank balances	23	4,931,368	-	4,931,367	10,786,643	-	10,786,643
		<u>10,683,471</u>	<u>196,313</u>	<u>10,487,157</u>	<u>16,480,171</u>	<u>252,661</u>	<u>16,227,510</u>

40(a). Maturity profile

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

	Notes	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 2024							
Interest bearing loans and borrowing (non-current)	24	9,357,700	-	-	-	9,357,700	7,018,279
Trade payables	27	6,211,365	6,211,365	-	-	-	6,211,365
Bank overdraft	23	1,283,797	-	1,283,797	-	-	1,283,797
Interest bearing loans and borrowing (current)	24	10,233,988	5,514,397	598,607	4,120,984	-	8,979,029
		<u>27,086,850</u>	<u>11,725,762</u>	<u>1,882,404</u>	<u>4,120,984</u>	<u>9,357,700</u>	<u>23,492,470</u>

	Notes	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 2023							
Interest bearing loans & borrowing (non-current)	24	7,976,806	-	-	-	7,976,806	6,110,810
Trade payables	27	5,544,081	5,544,081	-	-	-	5,544,081
Bank overdraft	23	781,784	-	781,784	-	-	781,784
Other financial liabilities		-	-	-	-	-	-
Interest bearing loans and borrowing (current)	24	12,024,694	9,689,364	408,754	1,926,576	-	11,663,085
		<u>26,327,365</u>	<u>15,233,445</u>	<u>1,190,538</u>	<u>1,926,576</u>	<u>7,976,806</u>	<u>24,099,760</u>

		Carrying values		Amortised cost/Fair Values	
		31-12-24 N'000	31-12-23 N'000	31-12-24 N'000	31-12-23 N'000
Financial assets					
Financial assets at amortised cost		18	17,915	8,237,203	17,915
Trade receivables	21	5,752,103	5,693,528	5,752,103	5,693,528
Cash and bank	23	4,931,368	10,786,643	4,931,367	10,786,643
Financial assets FVTOCI	18	9,100	7,730	9,100	7,730
Other non-current financial asset	19	198,106	184,432	198,106	184,432
Total		<u>10,908,592</u>	<u>24,909,536</u>	<u>10,908,591</u>	<u>24,909,536</u>
Financial liabilities					
Interest-bearing loans and borrowings	24	7,018,279	6,658,731	7,018,279	6,658,731
Short-term borrowing	24	8,979,029	6,397,604	8,979,029	6,397,604
Bank Overdraft	23	1,283,797	781,784	1,283,797	781,784
Trade and other payables	27	10,370,747	9,076,011	10,370,747	9,076,011
Total		<u>27,651,852</u>	<u>22,914,130</u>	<u>27,651,852</u>	<u>22,914,130</u>

Notes to the financial statements**40(b). Determination of fair value and fair value hierarchy**

As at 31 December 2024 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
Level 2:	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 Assets measured at fair value:	Level 1 ₦'000	Level2 ₦'000	Level3 ₦'000
Financial assets: (Note 18)			
31-12-24	9,100		
31-12-23	7,730		
Assets for which fair values have been disclosed:			
31-12-24			-
31-12-23			-
Interest bearing loans and borrowings- Noncurrent (Note 24)			
31-12-24		7,018,279	
31-12-23		6,110,810	
Interest bearing loans-current (Note 24)			
31-12-24		8,979,029	
31-12-23		11,663,085	

There have been no transfers between Level 1, Level2 and Level 3 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.

41. 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 to support its business and maximize shareholder value. The company manages its capital structure and makes adjustments to it considering 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.

Notes to the financial statements

41. Capital management (cont'd)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2024 and year ended 31 December 2023.

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 50% and 47%. The company includes within net debt interest bearing loans and borrowings, trade and other payables, and cash and short-term deposits.

	31-Dec-24	31-Dec-23
	₦'000	₦'000
Interest bearing loans and borrowings (Note 24)	15,997,308	17,773,893
Trade and other payables (Note 27)	10,370,733	9,076,011
Overdraft (Note 23)	1,283,797	781,784
	(4,931,368)	(10,786,643)
Less: Cash and bank balances		
Net debt	22,720,470	16,845,045
Capital - Equity	23,698,935	19,293,728
	46,419,405	36,138,773
Capital and net debt		
Gearing Ratio	49%	47%

42. 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:

	31-Dec-24	31-Dec-23
	₦'000	₦'000
Basic		
Net profit attributable to ordinary shareholders	5,752,006	3,607,593
Weighted average number of ordinary shares	2,294,996	2,294,996
Basic earnings per ordinary share (In Kobo)	252	157

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

43. Effect of prior period restatement

Corrections of prior period errors

During the year, the company identified a misstatement relating to the presentation of LC forward contracts under non-current assets. In accordance with IAS 1:66, the asset met the criteria for presentation as a current asset.

Consequently, the Company has corrected the presentation of this item in the financial statements for the year ended 31 December 2023 retrospectively adjusted in accordance with the requirements of the IAS 8.

Notes to the financial statements

43. Effect of prior period restatement (cont'd)

Impact of statement of financial position as at 31 December 2023

	As Previously reported N'000	Effect of error N'000	As restated N'000
Non Current Asset			
Loan and receivables	501,193	(501,193)	-
Reclassified from Loan and receivables to			
Non current asset			
Financial asset at amortised cost	-	16,183	16,183
Current Asset			
Financial asset at amortised cost	-	485,010	485,010

Financial asset at amortised cost was reclassified from loan and receivables in prior year to financial asset at amortised cost in current year

44. Events after the reporting period

There are no events or transactions that have 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.

Other national Disclosures

Statement of Value Added

	31 December 2024 N '000	%	31 December 2023 N '000	%
Revenue	84,189,000		53,050,354	
Other operating income	611,871		497,066	
Finance income	60,022		23,008	
Bought in goods and services				
- Imported	(30,258,970)		(18,632,435)	
- Local	(34,354,321)		(21,154,212)	
VALUE ADDED	20,247,602	100	13,783,781	100
APPLIED AS FOLLOWS:				
To employees:				
- Salaries and other benefits	5,385,670	27	4,497,767	33
In payment to government:				
- Income tax	2,349,129	12	839,094	6
In payment to providers of funds:				
- Bank interest	5,493,822	27	2,101,868	15
To provide for replacement of assets and expansion of business:				
- Depreciation charge	1,496,671	7	1,127,156	8
- Amortization charge	35,384	0	57,690	0
- Right of use assets charge	135,595	1	81,891	1
- Deferred taxation	(428,053)	(2)	1,470,722	11
- Retained profit	5,779,384	28	3,607,593	26
VALUE ADDED	20,247,602	100	13,783,781	100

Five-Year Financial Summary

	2024	2023	2022	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Non-current assets:					
Property, plant and equipment	25,125,748	22,672,162	19,565,588	14,892,994	13,387,810
Right of use Assets	-	315,050	380,817	486,271	595,194
Investment property	-	-	-	31,823	32,742
Intangible assets	65,471	25,577	23,544	21,722	23,530
Loans and other receivables	17,915	16,183	14,692	14,027	12,871
Available for sale	9,100	7,730	4,800	5,030	4,960
Other non-current financial assets	198,106	184,432	174,542	173,162	171,683
Net current assets	<u>8,626,147</u>	<u>5,916,410</u>	<u>4,806,573</u>	<u>6,508,720</u>	<u>3,464,889</u>
	34,042,487	29,137,544	24,970,556	22,133,749	17,693,679
Non-current liabilities					
Interest bearing loans and borrowings	(7,018,279)	(6,110,810)	(5,746,439)	(6,210,729)	(4,050,683)
Obligation under finance lease	-	-	-	(63,590)	(164,459)
Staff retirement benefits	(251,090)	(252,158)	(263,602)	(268,185)	(447,792)
Government grant	(590,618)	(608,963)	(651,292)	(660,764)	(938,248)
Deferred revenue	-	-	-	(1,583)	(4,751)
Deferred taxation	<u>(2,456,188)</u>	<u>(2,871,885)</u>	<u>(1,389,945)</u>	<u>(1,177,063)</u>	<u>(1,548,311)</u>
	<u>23,726,312</u>	<u>19,293,728</u>	<u>16,919,278</u>	<u>13,751,835</u>	<u>10,539,435</u>
Financed by:					
Share capital	1,147,498	1,147,498	1,147,498	1,043,180	1,043,180
Share Premium	4,829,614	4,829,614	4,829,614	4,933,932	4,933,932
Retained earnings	17,744,545	13,313,331	10,941,811	7,774,138	4,561,808
Available for sale reserve	<u>4,655</u>	<u>3,285</u>	<u>355</u>	<u>585</u>	<u>515</u>
	<u>23,726,312</u>	<u>19,293,728</u>	<u>16,919,278</u>	<u>13,751,835</u>	<u>10,539,435</u>
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	<u>84,189,000</u>	<u>53,050,354</u>	<u>40,634,143</u>	<u>30,860,817</u>	<u>18,275,856</u>
Profit before taxation	7,700,460	5,917,409	5,781,473	4,717,644	1,772,211
Profit for the year	5,779,384	3,607,593	4,187,158	3,719,913	1,205,039
Dividend	2,294,996	1,376,998	1,262,248	1,043,180	521,591
Per Share Data:					
Earnings per share (kobo)	252	157	182	178	58
Dividend per share (kobo)	100	60	55	50	25
Net assets per share (kobo)	<u>1033</u>	<u>841</u>	<u>737</u>	<u>659</u>	<u>505</u>