

2014

Annual Report & Accounts



Sustaining
LOCAL INNOVATION



NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

Vision

Our vision is to be the leading pharmaceutical company and a leader in Corporate Nigeria, through the achievement of excellence in delivering competitive and high quality Products and services.

Mission

Our performance will be driven by our resolve to be the number 1 pharmaceutical company in Nigeria, maintaining enviable employee welfare scheme, through the provision of quality products and superior returns to all stakeholders while adding value to indigenous research.

HURRAY!!!

INNOVATION

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Chocolatey!!!**



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- Stimulates appetite
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- Boosts mental concentration



Pyrantrin CHOCO ...fun for kids, TOUGH on worms

Neimeth

For more information, visit our website at www.neimethpharma.com.ng
Tel: 0812788785, 08138422346

Neimeth

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

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Mazi Sam I. Oluabunwa (OFR)



Sir Ike T. Onyechi



Mr. Christopher U. Mmeje



Mr. Emmanuel P. Ekunno -MD/CEO



Prof. Maurice M. Iwu



Mr. Adekola O. Balogun



Engr. Godwin E. Omene



Mr. Thomas T. Osobu



Prof. Elijah N. Sokomba



Godfrey N. Oluabunwa



Dr. A.B.C. Orjiako (OFR)
Chairman

Dr. A.B.C. Orjiako - Chairman

He joined the Board in February 2004, and from 1st February, 2005 became the Chairman of the board. A medical doctor and Fellow, West African College of Surgeons, he has various business interests including Energy, Petroleum Exploration and Marine Services. In addition, he is and has been Chairman and President of several other high networth companies and organizations and is an accomplished agricultural and educational philanthropist.

Mr. Emmanuel P. Ekunno -MD/CEO

He started his career in Pfizer as a Medical Sales Representative and rose to become the Director, Consumer Healthcare Products in 1996. Following the transition of Pfizer to Neimeth in 1997, he was appointed Vice President Marketing after two successful stints as Senior Vice President Sales and Marketing, and Leader Business Development in 2000, and Executive Vice President Pharmaceutical Business and ECOWAS in 2008. Thereafter, in 2011 he was appointed AG MD/CEO and was confirmed in October 2012 as the MD/CEO. He is a Pharmacist and a Fellow of Pharmaceutical Society of Nigeria (PSN). He has held several Professional and Leadership positions: former President Advertisers' Association of Nigeria (ADVAN), former Chairman Advertising Standards Panel-Advertising Practitioners' Council of Nigeria (APCON). Also he is former Chairman, Nigeria Association of Industrial Pharmacists (NAIP), former Chairman Economic Intelligence Group of MAN, former Council Member of APCON, PSN, member on the new National Drug Distribution Guideline. He is an alumnus of Lagos Business School (LBS) and Current Exco and Management Committee Member of PMG-MAN. He has won several Community, State and National awards namely Ambassador of Pharmacy, Eminent Persons Award, Marketing Merit Award etc. He has strong Marketing background and was also awarded the title 'Ambassador of the Environment' by Lagos State Government.

Mazi Sam Oluabunwa (OFR)

He led the MBO of Pfizer in 1997 and is the former MD/CEO of Neimeth Int'l Pharm Plc. He is the founder/Chairman, Sam Oluabunwa Foundation for Economic Empowerment (SOFEE), President Nigeria-America Chamber of Commerce (NACO), and former chairman of the Nigeria Economic Summit Group (NESG) and a member of the Subsidy Re-Investment Programme Committee (Sure-P). His core competencies include Enterprise development, Governance – Corporate and Institutional Leadership, Healthcare Facilities Development, Pharmaceutical Manufacturing and Marketing and Business re-engineering. He has authored several books and sits on the board of several companies and organizations.

Sir Ike Onyechi

He was invited to the Board on the 20th December 2011. He is a registered Pharmacist and graduate of Pharmacy from the University of Nigeria Nsukka. He is founder and Chief Executive Officer of Alpha Pharmacy and Stores. He is a fellow of several Pharmaceutical societies and member of many associations. He is equally a member of the board of many companies and establishments.

Sir Godfrey N. Oluabunwa

He was invited to the Board on the 24th of February, 2004. He obtained his BA. Honours in English language and is an alumnus of several institutions, including the prestigious Harvard Business School. A private business entrepreneur, he has made tremendous success in his various fields of business endeavours, which include Telecommunications, Petroleum, Broadcasting and Hospitality business. A director of not a few successful companies, he is also a member of several organizations.

Prof. Elijah N. Sokomba

He was invited into the Board on the 25th February 2008. Elijah is an accomplished Pharmacist who has garnered considerable experience in Research/Teaching, University administration, State Health Service Management and NAFDAC where he was a former Director. He has been very involved in the management of the "Fund for Integrated Rural Development and Traditional Medicine" as Secretary/Board Member since 1997. He is also a member of the Technical Committee on collation of Research work on Nigerian Medicinal Plants and Traditional Medicine Practices for the Nigerian Natural Medicine Development Agency. He was Professor of Pharmacology at the University of Jos.

Mr Christopher U. Mmeje

Mr. Mmeje was appointed into the Board as Executive Director – Finance on 25th February, 2008. He is an accomplished Accountant and Chartered Banker with formidable experience spanning manufacturing, Banking and the Hospitality industry. He was Managing Director/CEO of Island Bank. Sao Tome and has expertly managed the finances and credits of some key organizations from the brink to sustainability.

Engr. Godwin E. Omene

He was invited into the Board on the 25th February, 2008. Godwin, a first class Graduate of Imperial College of Science and Technology London, was the pioneer Managing Director of NDDC and a retired Deputy Managing Director of Shell Petroleum Development Company. He has also been either chairman or Director of several companies spanning the oil industry, security printing, finance/banking and pharmaceutical businesses. He was appointed the Group Managing Director of FJ Energy Limited by the European Economic Development Council in April 2007. He is a thorough bred professional with vast board experience.

Mr. Thomas T. Osobu

He was invited to the board on the 20th December, 2011. He is a graduate of Boston University, School of Management, USA. He worked with Nestle New York and Nestle Nigeria. He is the founder and CEO of Jott Industries Nig. Ltd. He is a member of many professional and social associations, and sits on the Board of several organizations.

Professor Maurice Iwu

He was invited to the Board on the 20th of December, 2011. He trained at the University of Bradford where he obtained his masters and PHD in Pharmacy. He was Professor of Pharmacognosy at the University of Nigeria Nsukka. He is also funder and Chairman of Bioresources Development and Conservation Programme (BDCP) an Independent Biosciences Research and Development Organization; and International Centre for Ethnomedicine and drug development (IntgerCEDD). He has received many academic and professional honours. He consults on several fronts, and has served on the Board of several non-profit and charitable foundations. His working career spans the realms of academics, research and public service. He had presented several papers. Published several research articles, and authored many books.

Mr. A. O. Balogun

Kola was invited into the on 24th February, 2004. He brings his vast Sales/Marketing experience of Pharmaceuticals, spanning over 30 years, to the board. A registered Pharmacist and successful entrepreneur. Kola is Chairman of four fast growing Nigerian companies and a board member of several others. He is an alumnus of the Obafemi Awolowo University, Ife. His business interests include trading, construction and property development.

DIRECTORS:

Dr. A. B. C. Orjiako	Chairman
Mr. E. P. Ekunno	MD/CEO
Mr. C. U. Mmeje	Executive
Mazi S. I. Ohuabunwa	Non-Executive
Mr. A. O. Balogun	Non-Executive
Sir. G. N. Ohuabunwa	Non-Executive
Engr. G. E. Omene	Non-Executive
Prof. E. N. Sokomba	Non-Executive
Prof M. M. Iwu	Non-Executive
Sir. I. T. Onyechi	Non-Executive
Mr. T. T. Osobu	Non-Executive

SECRETARY:

Mrs. F. I. Onyenekwe

**REGISTERED
OFFICE:**

1, Henry Carr Street
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Telephone: 08158422346, 08159491935
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Facebook: www.facebook.com/neimethplc

AUDITORS:

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PKF House, 205 Ikorodu Road
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018042074, 017734940, 017748366

REGISTRARS:

Meristem Registrars Limited
213, Herbert Macaulay Way
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**LEGAL ADVISER/
SOLICITOR:**

S. A. Nwakohu & Associates
Plot 3b, Fola Osibo Street,
Lekki Phase 1, Lagos
E-mail: samnwakohu.associate@hotmail.com

BANKERS:

Diamond Bank Plc.
Guaranty Trust Bank Plc



MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS:

	Year ended 30-Sept-14 N'000	Year ended 30-Sept-13 N'000	% Change
TURNOVER	1,628,395	2,016,522	(19)
(Loss)/Profit before taxation	(198,173)	182,135	(209)
(Loss)/Profit after taxation	(228,535)	151,496	(251)
Share Capital	784,776	653,980	20
Shareholders' funds	1,630,429	1,780,209	(8)

PER SHARE DATA:

Earnings per share (Kobo) (Basic)	(15)	10
Dividend per share (Kobo)	-	-
Net assets per share (Kobo)	104	136
Number of employees	246	271
Market price as at 30 th September	1.06	1.15



NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting of the members of NEIMETH INTERNATIONAL PHARMACEUTICALS PLC. will be held at Oranmiyan Hall, Lagos Airport Hotel Limited, 111 Obafemi Awolowo Way, Ikeja, Lagos on Tuesday, 24th March, 2015 at 11.00 a.m. in the forenoon to transact the following businesses:

ORDINARY BUSINESS:

1. Receive Report of the Directors, Statement of Financial Position as at September 30th, 2014 together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.
2. Re-elect Directors
3. Approve the remuneration of Directors
4. Authorize the Directors to fix the remuneration of the Auditors for the ensuing financial year
5. Elect members of the Audit Committee

NOTES:

1. **PROXY:**
A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy needs not be a member.

A form of proxy is enclosed and if it is to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company at 1, Henry Carr Street, Ikeja, or The Registrar, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos not less than 48 hours before the time for holding the meeting.

2. **CLOSURE OF REGISTER AND TRANSFER BOOKS**

The Register of members and Transfer Books of the Company will be closed on Wednesday, 18th March, 2015 and re-open on Friday, 20th March, 2015 for the purpose of updating the records.

3. **AUDIT**

In accordance with Section 359(5) of the Companies and Allied Matters Act 1990, all re-nominations in writing of Members for election to the Audit Committee should reach the Company Secretary at least 21 days before the time for holding the Annual General Meeting.

Dated this 4th day of February 2015


F. I. ONYENEKE (MRS.)
Company Secretary
FRC/2014/ICAN/00000010082
Registered Office
1, Henry Carr Street, Ikeja



**OUR DECISION TO REDUCE PRICES OF OUR
ANTIHYPERTENSIVES: NORMORETIC, NORDUET, AMLOVAR & MINIPLUS
BY 50% MEAN MORE AFFORDABILITY**

THIS IS OUR WEAPON AGAINST HYPERTENSION



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- STOP SMOKING
- GO FOR REGULAR CHECK-UP
- EAT RIGHT, KNOW WHAT FOOD TO AVOID
- REDUCE ALCOHOL IN-TAKE
- LOSE WEIGHT
- PASS THIS ON

IF YOU ARE A GOVERNMENT INSTITUTION, NGO, CORPORATE ORGANIZATION,
PROFESSIONAL BODY, SUPPORT THIS WEAPON,
LET US SHARE THE BURDEN TOGETHER

Send your order to:

Pharm. Rose Oputa: 08058481606
Email: rose.oputa@neimethplc.com.ng

Pharm. Chidi Ibegbu : 08032322149
E-Mail: chidi.ibegbu.neimethplc.com.ng



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Against Hypertension*



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INTRODUCTION

Distinguished shareholders, members of the board, invited guests, Gentlemen of the press, Ladies and Gentlemen. It is my pleasure to welcome you to the 56th Annual General Meeting of your company to consider the reports and result for the period ended September 2014.

THE OPERATING ENVIRONMENT

Since the 2008 global economic collapse, there has been a steady drive by developed economies to return to the pre – 2008 economic levels. According to the World Bank, the global recovery were expected to accelerate in 2014 with sharp improvement among the world's richest economies. Global economic growth was expected to speed from a 2.4% rate in 2013 to 3.2% in 2014 in the richest countries such as the US, Japan and nations in the Euro area. The growth accruing from their economies was expected to support stronger growth in the developing countries. China, the country that had maintained annual growth of over 7% for a decade was forecast to grow by 7.6%, while our economy was forecast to grow by 7.43%.

The above expectation was however subdued by recent developments in the global oil market crisis that erupted at the twilight of 2014.

The Nigerian economy as integral part of the world economy is not immune to global economic shocks; hence the achievement of projected performance could be deterred or buoyed by international events. With this in mind, only fiscal prudence and more diversification in the revenue base of the country could ensure some level of resilience to exogenous shocks. The first step in this direction on the part of the Federal Government was the belated passing of the 2014 budget by the National Assembly tagged a "budget of job creation and inclusive growth which assumed oil earnings at



Dr. A.B.C. Orjiako (OFR)
Chairman

77.5 USD a barrel and the production of 2.388 million barrels a day. According to the News Agency of Nigeria, quoting Economists," the price assumption was seen as conservative whereas the output assumption was seen as over optimistic due to frequent production shut-in as caused by oil theft and vandalism of oil industry infrastructure".

The government's decision to re-index the country's GDP in April 2014 pushed the GDP to \$510b ahead of South Africa at \$370b and Egypt at \$257.29b propelling it to Africa's top economy. The new figure shrank Nigeria's debt to GDP ratio to 11% for 2013 against 19% in 2012. Nigerian's budget deficit was now 1% of GDP following the rebasing of its Gross Domestic Product (GDP) from 1.9%. Rebasement captured the structural changes in the economy in Banking, Communication and Entertainment Industry where Nigeria recorded dramatic growth in recent years. The government's argument of all-inclusiveness of all economic activities in GDP calculation basket is one that cannot be faulted. Notwithstanding the validity of the economic argument, it is increase in output of goods and services that result in improvement in the general welfare of the

population.

In growth terms, rebasing led to a slower rate of real GDP growth which decreased to 5% from the current rate of 7%, but projected by the IMF to dip to 4.8% from 7.3%, a development which resulted in Nigeria introducing some Austerity measures in a bid to cope with the negative effects likely to result. In this vein, the old mantra of diversification away from mono product becomes a streetwise recommendation.

The collective inability of our political leadership to take their hands and eyes off the Excess Crude Account (ECA) denied the nation the benefit it would have obtained at such period when balances in the rainy day account (ECA) would have served as bulwark against sudden shock from international price changes.

The sustained pressure on the stock market in 2014 was a clear vote of no confidence by International Short Term Investors on the economy. Though this short term capital flight is reversible depending on the outcome of the 2015 elections, its impact on economic life in 2014 was daunting. The regulators of the exchange may well look critically at its regulations that facilitate such in-and-out swing investment practices given its devastating impact on our young Capital Market and the effects on citizens that are developing capital formulation habits.

May I remind you ladies and Gentlemen, that the above scenario of the economy as at 2014 was also the same environment in which we did business and as such are part of this experience. (our 2014 Result)

THE PHARMACEUTICAL SUB-SECTOR

In 2014, the Pharmaceutical healthcare sector witnessed, scant healthcare funding, weak patent protection and low capital spending which continued to impede the market's potential. (Business Monitor International) A cursory look at Nigeria's Q115 Pharmaceutical Risk/Reward Index (RRI) scores Nigeria 37.1% and places it 21st in the Middle - East and Africa Matrix. Nigeria is regarded as a low - reward high - risk proposition for multinationals due to drug counterfeiting, corruption and poor Pharmaceutical regulations governing the market. The adverse implication of this scenario on Pharmaceutical companies constituted a major setback for the Industry

Attaining the WHO pre - qualification often involves rigorous processes and huge expenditure on plant machinery and products. According to the former Minister of Health (Prof. Onyebuchi Chukwu), the world awaits products such as Artemether/Lumefantrine tablets for malaria, Lamivudine tabs for HIV/AIDs, Levofloxacin tabs for tuberculosis, Zinc - sulphate tabs for treatment of diarrhoea, Fluconazole injections, Ciprofloxacin tablets and many more Made - in-Nigeria drugs to be pre-qualified by the WHO soonest.

We did not lose sight of the above developments and we are working hard towards the certification of our own plant which has had us invest heavily in equipment and structural upgrade to meet required standards of WHO accreditation and this is currently on-going as we have re-doubled our efforts. Just last year, we mentioned an investment of over USD 1 million in machinery upgrade, and today I am happy to announce that the four machines have been installed and are working perfectly. The machines, we expect, will enhance our capability and reduce manufacturing cost now and in the out years. This will translate to commensurate price competitiveness of our products and enhanced profits.

It is heart-warming to know that we are currently in the 2nd league in our company's efforts (the next after the 1st four) and this made us attend a WHO meeting in Denmark for further discussions and we are working very hard to see that we meet the 18 months time-line as we know the economic importance and industry prestige the certification will confer on our business.



OUTLOOK FOR THE FUTURE

As countries think about the future so also is the company thinking about the future of Pharmaceutical manufacturing sector. Feelers we obtain indicate that Government may in the near future initiate major reforms in the distribution of Pharmaceutical products in Nigeria. The initiative we understand will involve streamlining channels of distributing pharmaceutical products. Such reform will most probably affect manufacturers as much as it will affect the distributors. Your company is already reviewing this policy proposal and making necessary mental and physical adjustment that will enable us sail over whatever turbulence the policy may bring if eventually it is implemented by the Government.

The recent upgrade of our plant will afford us expanded capabilities for contract manufacturing and tolling opportunities. We have no doubt that our revenue base will improve considerably.

Additionally, a considerable part of our business now and in the future will incorporate diversification into offshore contract manufacturing of goods for both human pharmaceuticals and Vet in innovative and diverse therapeutic moieties to help minimize manufacturing costs with added benefits especially regarding product cost effectiveness and price competitiveness. The Nigerian pharmaceutical market is largely known to be driven by inherent price considerations.

Our ambition to launch two new products every quarter for the next 10 quarters (2014 - 2016) is on course and being faithfully implemented. On this note, I would like to commend management for launching two new products namely: Norduet - a novel combination for the black hypertensive, Co-Amoxiclav - our brand of Amoxicillin and Clavulanate Potassium tablets, a very potent antibiotic. I also commend the introduction of 2 new pack extensions of ncp liquid in pocket friendly sizes of 25ml and 50ml, the reintroduction of ncp cream and ointment and for the overall re-packaging of ncp range in more consumerized packs.

Beyond the above efforts, our heavy pipelines of new products are at different levels of R&D and boasts of exciting pack extensions, innovative products, as well as key healthcare essentials.

RESULT

The 2014 result showed a significant decline of 20%; a deviation from the 2013 impressive performance of 33% growth and Before Tax growth of 252%. Details of the result will be covered in the MD/CEO's statement.

CONCLUSION

I wish to thank the staff and management for their efforts in 2014, but would earnestly wish to stress that a lot of work need to be done to recover from the 2014 shortfall, achieve or even surpass the 2015 budget benchmark and do all that is needful to return our company to profitability. This is a duty we owe our stakeholders and nothing short of this is acceptable. For this, we would do all that is possible to restore your confidence and return on investment.

Finally, we thank and appreciate our Almighty God, our source and strength in everything, and our hope and helper at all times.



Dr. A.B.C. Orjiako, OFR
Chairman, Board of Directors



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Pyrantel Pamoate

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FAMILY AGAINST
WORMS



...still the effective worm expeller for the whole family

- ✓ PREMIUM QUALITY
- ✓ HIGHLY EFFECTIVE AGAINST COMMONLY OCCURRING INTESTINAL WORMS
- ✓ CONVENIENT SINGLE DOSE
- ✓ VERY AFFORDABLE



1, Henry Carr Street, Ikeja. E-mail: Pyrantrinkidsclub@neimethpic.com.ng
To join Pyrantrin Kids Club, (PKC), apply on - line at www.Pyrantrinkidsclub.com
Enquiries: 08127665705, 08158422346.

Fellow shareholders, members of the board, invited Guests, Gentlemen of the press, ladies and gentlemen; I feel very privileged to welcome you to the 56th Annual General Meeting of our company

OPERATING ENVIRONMENT

The 2014 Budget was formulated to create more Jobs, provide more infrastructures and engender inclusive growth for the whole economy through reduction in the cost of governance. The baseline assumptions for the budget was predicated on the bench mark oil price of \$77.5pb, budgeted oil production of 2.3883mbpd and average exchange rate of N160/\$.

The government's position was to grow the economy faster than 7% per annum with growth expectations in other sectors like Agriculture, Housing and services that create most jobs to be driven by prudent economic management to achieve the desired growth.

Government has repeatedly admitted that lack of access to affordable medium to long term credit as one of the greatest problem facing Nigerian Industrialists and entrepreneurs, while poverty and unemployment remain prominent among major challenges facing the economy.

The high expectations from the oil sector suffered a major setback by recent price realities in the world market with negative consequences and consequent devaluation of the Naira as the price crisis worsened.

As a result, the federal government rebased the 2014 budget which raised the budget deficit by N400b.

This resulted in main changes in the GDP Structure

- Services grew to annual 50% of total GDP from 25%
- Manufacturing which used to account for 2% now stands at 7%
- Mining and construction sector account for annual 20% half of the share under the old structure
- Weight of Agriculture declined to 20% from more than 30%

The new figures, though a proof that Nigeria is moving away from an oil centered structure, still shows that there still a long way ahead for the average Nigerian to feel better because in spite of the re-basing, to the average Nigerian, nothing, has changed. Price of goods and services remained the same if not further worsened; and emergence of growth rates that do not match economic realities; as sustained growth over the years have not made an impact on poverty or led to broad-based improvements in living standards as adequate disposable income remained a challenge with many manufacturers including the Pharmaceutical industry competing for the inadequate disposable income of the same customers.



Mr. Emmanuel P. Ekunno -MD/CEO



On the other hand, for the few that could afford it, Nigerians were being forced to seek medical treatment abroad due to the poor condition of the healthcare delivery system in the country (All Africa). Most of the country's private hospitals which provide 60% of health services lack necessary modern equipment so the increased medical tourism is in the belief that hospitals in other countries have better medical equipment for diagnosis and treatment. According to Business Monitor International, around 18,000 Nigerians are reported to have spent N14.6b (USD 88.9m) on medical treatment in India in 2013. The impact of this on the pharmaceutical industry in Nigeria cannot be quantified.

The menace of insurgents in the North remained a huge cancer for the industry as huge revenues were lost by pharmaceutical companies due to inadequate geographical coverage. The situation was so bad that we had to devise a "Northern Strategy" specifically to continue doing business in the face of danger and recover our losses as the Northern Market adds up to all our Annual Budgets.

Ladies and gentlemen, it was in this environment so painted above that we strove to deliver our budget alongside other core production challenges (importation life cycles etc) that culminated in our current performance and led to lost opportunities.

BUSINESS PERFORMANCE

By 2013 year end (September), far from our plans and efforts towards achieving a healthy bottom line, certain factors beyond our control saw our final result declining by 20% compared to an impressive growth of 30% in 2013.

Overall delay in the importation cycle for some of our key machines and installation hiccups impressed a lull in production which commensurately resulted in lost business opportunities resulting in a heavy decline for most of our promising brands including key cash cows/volume drivers. This affected products budgetary achievement, unlike in 2013 where Pyrantrin recorded 153%B and commendable growth of 197% and NCP 611% growth.

The corporate turnover of N1.628b was a 20% decline over N2.017b and 30% growth in 2013. Loss Before Tax (LBT) stood at N198m and Loss After Tax (LAT) at N228.5m.

Production difficulties arising from necessary replacement of obsolete/non-GMP complaint machines jointly contributed to name a few, to the current result of 2014.

However it was not a bad story all the way as our initial conscious determination to reduce overall operational cost through the Cost Improvement Management Committee (CIMACOM) by 25% in 2014 actually witnessed a 65% reduction in operational cost across board, and quite impressively accrued a 260% improvement in excess of our initial 25% ambition.

BUSINESS OUTLOOK

Our 2015 budget aptly tagged a budget of reconciliation has been put in place to enhance capabilities and ambitions.

It is also expected to stabilize our business and grow revenue and profit in 2015 organically. To avoid forecasting and planning inaccuracies, which can erode opportunity benefits, we have put in place planning alternatives to forestall performance setbacks arising possibly from volume variances.

Imported Finished Pharmaceutical Products (IFPPs) focused on distinctive programmes and Neimeth's Distinct Novel Attributes (DNA) have been positioned to leverage our business in 2015. In addition to IFPPs, ACTs, Analgesics and ncp will be the major budget focus in 2015.

To ensure strong marketing footprint for the envisaged organic growth, marketing will focus on increased market share drive, high level awareness and demand generation as 2015 has been designated a year for active marketing while we shall keep looking out for marketing opportunities just as it happened with the Ebola outbreak.

Media focus will continue to be our priority in 2015 as 85% of our volume drivers are undeniably advert driven. This way resource allocation will only be made to hot spots like our key drivers Pyrantrin, ncp, Homtamin etc, while Normoretic, Flexodene and other prescription products will be channeled to professional Journals and direct interface with prescribers.

Additionally our ambition to introduce 2 new products every quarter for the next 10 quarters is being sustained with the recent launch of Co-Amoxiclav (Antibiotic) and Norduet, a novel antihypertensive and the 1st of its kind in Nigeria that combines the Vasodilator action of Amlodipine (Amlovar) with the diuretic actions of hydrochlorothiazide. We are confident that it is a product that will be of immense benefit to prescribers as the synergistic mode of action combines the needed qualities required in effective management of hypertension, a feature that bestows the brand as the logical combination for the black hypertensive.

Beyond all these, we are working on other products that are currently on different levels of R & D in relevant therapeutic segments such as Analgesics & cough syrups and with exciting flavour variants and pack extensions. Others are Anti-malarials, hand sanitizers and different types of injectables which cut across new pack revisions, pack extensions and new moieties with highly acceptable levels of innovation.

These ambitions have been strengthened with continuous extensive incursions into Asia & America for new product candidates in diverse therapeutic entities in form of capsules, veterinary entities & injectables both for Pharm. & Vet.

The VET business will also witness the infusion of Imported Finished Vet Products (IFVPs) by 2H(second half of 2015) to boost Vet Business potentials while for ECOWAS, ncp will remain our flagship product in Ghana and more recently, Togo, while other strategic and specialty products will be in view.

For the plant, the WHO Certification upgrade will continue with key equipment provided for manufacturing and laboratory needs.

Above all, to achieve the above, only the best in terms of Human Resource will suffice and to this end, we have strengthened, modernized and re-oriented our Human Resource capital to deliver nothing but the best, and with God on our side to our journey to a healthy recovery, the sky will only be our beginning.

Thank you & God bless



Emmanuel Ekunno arpa, FPSN
MD/CEO



Management Team



Mr. Emmanuel P. Ekunno -MD/CEO



Mr. Isaac O. Igbanoi



Mr. Christopher U. Mmeje



Pharm. Roseline A. Oputa



Pharm. Olufemi A. Ojakoya



Florence I. Onyenekwe (Mrs.)



Mr. Adekunle Adebowale



The Company is committed to best corporate governance practices and high ethical conduct by institutionalizing a process of regularly reviewing our processes and practices to align with the Code of Corporate Governance in Nigeria.

THE BOARD AND ITS COMMITTEES

The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves the strategic objectives agreed by the Board. To enable it carry out this responsibility, the Board requires from Management the appropriate information concerning the business, including relevant information on risk exposures, internal controls and external developments. The Board executes its mandate through regular meetings and committees.

The Company's Articles of Association provide that the Company's Board shall consist of not more than thirteen directors. During the year, the Board comprised 11 Directors, 9 of which were non-Executive and 2 Executive Directors including the Managing Director/Chief Executive Officer. The Board is headed by a non-Executive Director who provides leadership.

THE ROLE OF THE BOARD

Specific issues reserved to the Board or its committees include:

- Composition of the Board and its Committees
- Approval of top executive appointments and top management succession plans
- Top management terms of employment
- The appropriation and distribution of profits
- Approval of Strategic plans
- Monitoring of information on major risks and exposures and final decisions regarding those exposures
- Acquisitions, disposals, mergers and joint ventures
- Major organizational changes
- Periodic and regular review of actual business performance relative to established objectives.

RECORD OF DIRECTORS' ATTENDANCE

In accordance with Section 258(2) of the Companies and Allied Matters Act Cap C20 LFN 2004, the record of Directors' attendance at board meetings during the year is available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman. Written notices of Board meetings and minutes of meetings were appropriately recorded and circulated.

COMMITTEES OF THE BOARD

The Board has a number of committees which advise it on specific issues such as strategic and business development. All such issues are reviewed



The Board ensures that the company's objectives are implemented through its committees constituted as shown below:

COMMITTEES	MEMBERSHIP	STATUS	NUMBER OF MEETING HELD	NUMBER OF MEETINGS ATTENDED
FINANCE/BUDGET/ INTERNAL AUDIT	Engr. G. E. Omene	Chairman	4	4
	Prof. E. N. Sokomba	Member	4	3
	Mr. A. O. Balogun	Member	4	3
	Mr. C. U. Mmeje	Member	4	4
ESTABLISHMENT	Eng. G. E. Omene	Chairman	1	1
	Prof. E. N. Sokomba	Member	1	1
	Mr. A. O. Balogun	Member	1	1
	Mazi S. I. Ohuabunwa	Member	1	-
INNOVATION/RESEARCH	Prof. M. M. Iwu	Chairman	4	4
	Mr. A. O. Balogun	Member	4	3
	Sir G. N. Ohuabunwa	Member	4	-
	Mr. T. T. Osobu	Member	4	4
	Mazi S. I. Ohuabunwa	Member	4	4
	Sir Ike Onyechi	Member	4	1

Investments and capital expenditure including borrowing limits and authorization are agreed with the Board.

AUDIT COMMITTEE

The Committee comprises six members, three representing shareholders and three representing the board. In accordance with section 359(4) of the Companies and Allied Matters Act CAP C20 LFN 2004, the following members and Directors were elected and nominated pursuant to Section 359(5) of the said Act and will serve on the Committee up to the conclusion of year 2014 Annual General Meeting.

Members of the committee with meetings attended

	Status	Number of Meetings Held	Number of Meetings Attended
Chief T. A. Okoronkwo	Chairman/S. Representative	5	5
Dr. Marcel O. Ojinka	S/Representative	5	4
Alh. A. O. Ajagun	"	5	5
Engr. G. E. Omene	Director	5	3
Sir T. I. Onyechi	"	5	3
Mr. A. O. Balogun	"	5	5



The meetings of the Committee were held and the functions of the committee are provided in section 359(6) of the Companies and Allied Matters Act Cap C20 LFN 2004.

UNCLAIMED DIVIDEND

Total unclaimed dividend fund in the company stood at approximately N14,675,009.72 as at 30th September, 2014.

Shareholders are strongly advised to contact the Company Registrar or the Company Secretary to retrieve their unclaimed dividends.

RELATION WITH SHAREHOLDERS

The Company remained committed to the sustenance of very good relationship with its shareholders and continued to maintain good level of communication through various programmes including the Annual General Meeting and shareholders' forum organized to interact with them. As part of the strategy to create additional value for our shareholders, and in line with our commitment to good corporate governance, we request all shareholders to complete the detachable form for e-bonus to enable us credit their account through the Central Securities Clearing System (CSCS). The completed form will provide our Registrar, Meristem Registrars Limited with the shareholders' CSCS account.

To further facilitate cost effectiveness and timely dissemination of relevant information to shareholders, we request members to supply their e-mail contacts on the attached form which can be returned at the AGM or the corporate head office.



Our Name ... Our Word... Our Bond...

At Neimeth International Pharmaceuticals Plc, we strive to deliver the highest quality pharmaceuticals and services to the healthcare sector. We rely on this to drive our performance, which consequently ensures continued optimal returns to all our shareholders.

Our efforts are propelled by a crop of highly motivated and properly skilled staff who work efficiently to deliver on their individual objectives. Our pioneering effort at sponsoring and commercializing local research into new drugs (Ciklavit and Nimartem) for key ailments that afflict Black people has been very encouraging. We will continue to bring succour to the sick in areas neglected by the research teams of technologically advanced global/multinational players in our industry. These are some key reasons why within such a short time after it was born, NEIMETH has become a household name in the healthcare delivery system not only in Nigeria, but also in Anglophone West Africa.

We do hope that this corporate profile presentation will give you deeper and closer insight into our operations to the extent that you will seek a place in our train.

A COMMITMENT BEYOND THE ORDINARY

At Neimeth, we are continually innovating and transforming. Our new strategic heading as propelled by the el-PPPaCCCTION principle reflects that God is at the head of every success, and that with the right people and resources (human and financial), we can by doing things differently, change any market situation.

Neimeth has unique passion for excellence, professionalism and superior services. We are committed to the unwavering desire to delight our stakeholders, to deliver on our promises and to be ethical in the conduct of our business.

Following the success recorded as the First most successful Management Buy-Out in Nigeria, we have become a reference point in innovative and strategic financial management, stakeholders' intimacy and social responsiveness, which have contributed to our reputation as a reliable, credible and trustworthy healthcare company. With this status, comes an even greater commitment to meeting the ever-growing healthcare needs of Nigeria and the West African Sub-Region. Our resolve is to be the No. 1 Healthcare Company in Nigeria, consistently improving our profitability while maintaining enviable employee welfare scheme, through the provision of quality products and superior returns to all shareholders.

THE COMPANY'S PROFILE

Neimeth International pharmaceuticals Plc is the resultant Company from the Mazi Sam I. Oluwabunwa led Management-Buy-Out of the 60% equity holding of Pfizer Inc. New York, USA in Pfizer Products PLC, Nigeria. This Management-Buy-Out out took place in May 1997 when Pfizer Inc. in pursuit of its global repositioning strategy, divested 60% equity in Pfizer Products Plc. in favour of the existing management.



OUR NAME

The name Neimeth was chosen to honour Mr. Robert Neimeth, an American who contributed immensely to the establishment of Pfizer in Nigeria. He relentlessly used his position to stop Pfizer's early divestment from Nigeria as a result of his belief in the economic potentials of Nigeria and its strategic importance in Africa. He could rightly be said to be the "alien father" of Pfizer operations in Nigeria, especially as a manufacturer. He retired as President, Pfizer International Pharmaceuticals Group in January 1997 and in May of the same year, Pfizer Inc. divested its shares in Pfizer Products Plc, Nigeria.

Additionally, Neimeth means Pfizer +, ++. The first plus signifies our strong competence in R & D, while the ++ signifies our entrenched capabilities in developing new partnerships and Alliances.

HOW IT ALL STARTED

Prior to this divestment and subsequent change of name to Neimeth, the company had operated in Nigeria for 40 years, manufacturing, marketing, and distributing Pfizer brands of pharmaceutical and veterinary products in tablets, capsules, ointment/cream, powder, injectables, and oral liquid forms. During the 40 year period (1957-1997), the company established the first pharmaceutical manufacturing plant in Nigeria at Aba, which was destroyed during the Nigerian civil war. It then set up and opened the most modern pharmaceutical plant in the West African sub-region in 1976 at Oregun, Lagos. These represent great milestones for a company that started as a trading venture in 1957 at a location in Ebute Metta, Lagos.

OUR METAMORPHOSIS

At inception, Neimeth's business operation was anchored on its manufacturing and distribution license agreements with Pfizer. The manufacturing license allowed Neimeth to manufacture, market and distribute Pfizer's traditional brands in Nigeria while the distribution agreement allowed Neimeth to distribute the newer, high-tech Pfizer brands imported as finished products. This co-operation with Pfizer remained in place and was strengthened when Pfizer allowed Neimeth to sell TCP (now ncp) in the West African market. Also following these agreements, Neimeth benefited from Pfizer's technical supervision to ensure maintenance of Good Manufacturing Practice (GMP) standards to international levels and has maintained same to date.

NEW OPPORTUNITIES; NEW CHALLENGES

The divestment from Pfizer afforded Neimeth the flexibility to develop new alliances with other international companies to increase its product portfolio, establish new business opportunities, as well as develop its own brand of generic products to meet local healthcare needs. She is also at liberty to develop her own new products from natural or synthetic moieties for the enhancement of our healthcare delivery needs. This entails collaboration with local researchers in specific diseases areas.

Thus enormous opportunities and potentials were then open to Neimeth for business expansion and growth. The company is now better placed to meet her new vision/mission having shed the compulsion to align with Pfizer's global vision, which does not necessarily take cognizance of key disease areas in our development world or environment. As a result of the above, the company has undergone a transformation that has seen it transiting from being a products dependent company that had relied on foreign franchise(under Pfizer) to that of a domestic company with international outlook depending on its own products (product self sufficiency) as Neimeth.



PRODUCT TRANSFORMATION MAP FROM PFIZER TO NEIMETH

NORVASC MINIZIDE	NORDUET AMLOVAR NORMORETIC MINIPLUS	ANTIHYPERTENSIVE ANTIHYPERTENSIVE ANTIHYPERTENSIVE ANTIHYPERTENSIVE
DIFLUCAN	FLUCOSYD	ORAL ANTI-FUNGAL
TROSYD CREAM	TIOCOSID CREAM	TOPICAL ANTI-FUNGAL
GYNO TROSYD	GYNO TIOCOSID	TOPICAL ANTI-FUNGAL
FELDENE	FLEXODENE	ANTI-RHEUMATIC
BENGAY COMBANTRIN TCP OBRON 6 HEMAFOLIN OSINEX	SPORTGESIC PYRANTRIN NCP OBRON 6 HEMAFOLIN OSINEX	ANTI-RHEUMATIC ANTHELMINTIC ANTISEPTIC/ DISINFECTANT MULTIVITAMINS FOR PREGNANCY AND LATATION BLOOD FORMING CAPSULES COUGH/COLD PREPARATION
	NIMARTEM QS	ANTIMALARIAL (ACT)
	PANCEMOL	ANALGESIC
	NECOTRIM	ANTIBACTERIAL
	CO-AMOXICLAV	ANTIBIOTIC
	CIKLAVIT	NUTRITIONAL SUPPLEMENT FOR SICKLE -CELL DISORDER

STRATEGIC POLICY CHANGE

The foregoing has necessitated a constructive development of inwardly looking corporate operational policies and guidelines that best meet the needs and aspirations of our healthcare challenges.

OUR NEW POLICY DIRECTION IS:-

- i. To seek business alliances with reputable international pharmaceutical companies with the objective of selectively introducing their useful products into the Nigerian/ECOWAS market. This has been achieved as Neimeth now transacts business in Anglophone and Francophone West Africa, in such countries as Ghana, Sierra-leone, Gambia and Liberia.
- ii. To go into collaborative agreements with local researchers with a view to developing "home grown" drugs for specific ailments in key disease areas that plague our people. This has resulted to the local manufacture of Ciklavit, a nutritional food supplement made from local



raw material and is indicated for the management of people living with sickle-cell disorder. Another output of our local research is Nimartem, an ACT (Artemether/ Lumefantrine) that is the first locally manufactured brand in the Antimalarial segment of the Nigerian Pharmaceutical Market (NPM), and Pyrantrin choco, a chocolate flavoured variant of our flagship product, Pyrantrin, the 1st of its kind in the Nigerian Pharmaceutical Market.

- iii. To deliberately foray into the manufacturing of affordable branded generic in common disease areas for use in our primary healthcare system.
- iv. To deliberately encourage, facilitate, and partake in public awareness/advocacy programmes aimed at preventing or eradicating common preventable diseases. This is evidenced by the numerous healthcare solution packages we target with our respective products to create the needed awareness about disease conditions, other healthcare conditions and remedies / solutions.

OUR BUSINESS STRUCTURE

Appreciable success has been recorded in each area of our policy shift. To ensure achievement of set operational objectives arising from our new policy and to ensure desired business growth, occasional operational restructuring becomes inevitable. Currently, under our new strategic heading, the business is structured as follows: Production/Manufacturing, Human Resources/Corporate Affairs, Finance, Research, Training & Customer Satisfaction, Sales and Marketing. This structure is to allow for greater focus, better result orientation, and higher profit growth and also guarantees overall cost reduction in operational and personnel expense with a view to ensuring a unified corporate goal.

DISTRIBUTION/COVERAGE

We have a strong logistic unit which works to move products from our Oregun Finished Goods Warehouse to our major depots spread across the country, covering all the six geo-political zones. We have complemented our current distribution fleet with three smaller 5MT trucks that execute second leg deliveries from our depots to 6 other satellite locations pan Nigeria to ensure product availability to match local demand created by our field force.

Our field sales team is the largest in the industry. This is a strength, which enables us to physically cover all the local Government Areas in Nigeria. It also reduces our advertisement cost.

NEIMETH has committed substantial amount of money to Research and Development (R&D) in the recent past. This flows from our Mission Statement that we will “add value to indigenous research”. Our effort in this area is double faceted: Internal and External.

Internal R & D activities include formulation of new products, re-formulation of existing products to enhance efficacy, creation of new therapeutic uses, increase sales potentials and profitability as well as usage extension. Achievements in this area include the re-formulation of Minizide, our flagship anti-hypertensive drug for blacks to give birth to MINIPLUS. We are also working on the



production of the solid form of Ciklavit which when encapsulated, will further enhance patient convenience, compliance, export potentials, product profitability and overall management profile of Sickle Cell disorder. Internal R & D efforts will lead to the launch or re-launch of 11 (eleven) Human products and 8 (eight) Veterinary products as evidenced by the launch of Pyrantrin choco suspension, a chocolate flavoured variant of our flagship deworming agent, Pyrantrin, the first of its kind in the Nigerian Pharmaceutical Market. .

With our focus on partnerships/Alliances, plans have advanced to roll out injectable veterinary antibiotics and several injections, human antibiotics, antimalarials, antipyretic, and anti-rheumatic drugs ever quarter for the next 10 quarters. R & D work on all these products is well advanced. Our scope of ongoing work will also enable us to introduce eight branded generic products within the period.

Our external R & D work entails working with Medical Scientists/Researchers to develop new products, do drug clinical trials and in-vitro drug studies. These drugs could be natural, and/or chemical (synthetic), oral, or injections. To this end, we review research work in our Universities based on local raw materials, focusing on specific ailment areas that are generally neglected by the global/multinational companies. We seek to provide new local health remedies in these areas at affordable costs. Our first success in this area is CIKLAVIT; the first homegrown natural product for the effective management of Sickle Cell disorder. Our work on PHYSOGEN and STREPTOL for common cold/ throat infections and diabetes respectively have advanced significantly. Malaria and Diabetes are ailments that are also in the focus of our efforts. Our mission is to expand and grow the exportation of health solutions to other countries after meeting local needs.

In recognition of the challenges ahead of us as pioneers in this field, we have upgraded our R&D Unit to a department status with a workable level of highly qualified professional staff who keep our new products pipeline full at all times. We are also working on new herbal products, and innovative anti-hypertensives, one of which is the recently launched novel antihypertensive, Norduet, a combination of amlodipine and hydrochlorothiazide, aptly named the logical combination for the black hypertensive.

BUSINESS DEVELOPMENT

Business and New Products Development are key focus areas for Neimeth. Our Business and New Products Development Committees, under the guidance of the Board Innovation/Research Committee, meet regularly to assess new product candidates and work assiduously towards their development, trials, registration and eventual launch. The Business Committee is responsible for seeking and identifying new business alliance candidates with whom we can do business to expand our service to the health sector. It selects needed product candidates from the long list of products offered us by foreign companies. We are currently into partnership with foremost pharmaceutical companies in Korea, Singapore and selling their first class drugs for stress and arthritis. This committee is working on expanding our 3rd party business to include sale of imported herbal products and others. The committee maintains an active global search for over 30 raw materials and bulk, at competitive price for our manufacturing processes.



GOING BEYOND HEALTHCARE

Community consciousness is one of Neimeth's core values. To this end, Neimeth as a good corporate citizen, has from the early sixties till date engaged in various community based welfare programmes that confirm its dedication to community welfare. The company has contributed significantly in helping to control worm infection via numerous free deworming schemes and has also deployed sanitation/hygiene and diverse health educational strategies to reduce overall health cost through education.

One of such health educational strategies is Pyrantrin Kids Club. It is a health educational club for children aged 4-13 years. This is because children have been proved to be the main transmission link in worms infestation. Membership is spread across the 36 states, and is over 200,000 strong presently. It has numerous enviable membership benefits like birthday cards, scholarships, etc. Membership strength is expected, would hit a million soon.

Another health educational strategy is Helminthiasis Elimination Lower-Cost Partnership (HELP). This is Neimeth's social engineering programme aimed at improving the health, nutrition and welfare of Nigerian communities / villages through the eradication of worm burden in our society. Like Pyrantrin Kids Club, it is structured on chemotherapy, sanitation, hygiene and health education. HELP is a mass deworming partnership programme with NGO's Governments, State Ministries of Women and Social Development at highly subsidized shared/lower cost.

Other community health educational programmes include "The Insidious Epidemic" code named FITGAH (Fight the good fight against hypertension). This enlightens Nigerians on the dangers of hypertension and diabetes and useful tips on way to remedy them. The programme also involves free blood pressure and diabetes screening.

Associated with this programme is the Stress Management Programme for Executives (SMAPEX) in which we emphasise the need for deliberate stress control by busy executives to minimize the risk of exposure to insidious diseases like hypertension, diabetes etc.

The challenges and threats posed by the endemicity of malaria in our communities in Nigeria are well known. MALATROL has been specially designed to take care of this problem, considering that malaria is responsible for 10% of children's death in hospitals and accounts for high mortality rates in pregnant women at an estimated 40%.

Malnutrition results in poor mental and physical development of 1 out of 3 children in developing countries like Nigeria. NUTRISOL is a partnership initiative to provide rational solution to this growing problem at reduced cost; thereby improving health, welfare and nutritional status of every family in Nigeria and giving tremendous visibility to governments with attendant socio-political benefits.

Neimeth's focus on indigenous research into drugs and medicaments for common African diseases ailments led to the discovery and launch of CIKLAVIT, a nutritional supplement for the



management of Sickle Cell disease. Consequent upon this, a well orchestrated public enlightenment/advocacy machinery was established by the company to handle issues on sickle cell disease. Its activities include facilitation of the setting up of Sickle Cell Clubs in Local Government Areas across Nigeria, facilitating the management of these Clubs in collaboration with other NGO's demystification of the disease among rural communities as well as counselling of young and single people before marriage.

FOOTCARE PROGRAMME targets military and paramilitary personnel who wear boots all the time and are at risk of Candida infection or Foot-rot.

SMAPEX/SMAPOL: This is a stress management programme targeted at people who do high stress jobs such as high profile executives, customs, police, army, Navy etc. and involves deliberate stress control aimed at minimizing exposure to insidious diseases.

NEIMETH has also put her technical expertise at the service of State Governments in the area of "Drug Revolving Fund (DRF)" management to ensure greater mileage in quality and reach of such State health programmes. Cross River State was a beneficiary of this Medicare enhancement programme, while Abia and Bauchi states are next in line among prospective states.

The focus and cost effectiveness of these enlightenment and advocacy programmes make them most beneficial to the recipients and gives the highest visibility to government health programmes at highly subsidized rates.

Neimeth has also offered numerous scholarships to children and students alike. Her community welfare activities also involve sponsorship of numerous NGOs, Schools, Churches, Overseas fellowships, Professional travel, medical treatment for individuals, course/seminar sponsorship among others.

THE NEIMETH PLANT

The Neimeth plant which is located at Plot 16, Akanni Doherty Layout, Oregun Industrial Estate, Oregun, Lagos Nigeria has a total land mass of about 8 acres with enough land for future expansion /development.

UNIQUE FEATURES AND KEY ISSUES

The plant has several unique features and is installed to manufacture a wide range of pharmaceutical and veterinary products: Tablets, Capsules, Ointment/Creams, Liquids/syrups/suspensions and Powders, etc. in diverse packaging presentations, with additional capacity for Tableting, Encapsulation, Ointments, Liquids/Syrups/Suspensions, Labeling, Packaging, Blistering, Strip Packing, Powder filling, counting (Tablets & Capsules.).

The Plant operates her processes in line with current Good Manufacturing Practice as specified by the regulatory bodies and is NAFDAC & PCN certified. Her systems and processes are also currently maintained to ISO 9001-2008 and ISO 14001-2004 quality and environmental standards respectively.

CURRENT UPGRADE

Our Pharmaceutical plant is currently under-going upgrades which is leading to heavy investment in manufacturing equipment and upgrading of GMP facilities on a scheduled and continuous basis. In line with the above, we have recently invested in our manufacturing plant with a view to complying with WHO (World Health Organisation) certification and qualification of our products and processes. In fulfillment of this aspiration, we shut the plant down for one month in December, 2013 to upgrade our GMP and install four new equipment that cost over USD 1 million. The new machines comprise Fluid Bed Processor High speed Tableting machine, Blistering machine, and Automatic packaging machine. All these new machines which work at accelerated speed levels to reduce Production lead time are now fully installed and productive

This move as anticipated, will enhance our capability, sustain cost reduction by 25% both in manufacturing cost now and in the future. It will commensurately make our products more affordable and improve profits to soar. Additionally, it will create extra capabilities for contract manufacturing / tolling opportunities and meet current and future requests

These new machines constitute the first phase in our plant -upgrade efforts. The next phase will focus on expanding Neimeth's R & D in natural products.

Overall, the newly installed machines will reduce human contact,,shorten processes and propel us towards a world class pharmaceutical company.

The plant also has an in-house water treatment facility comprising:- Two water bore holes, De-ionisaion, Distillation and new opportunities exist for contract manufacturing to product customization and product analysis, using our excess capacity as the need arises.

The excess capacity exists in several areas of the NEIMETH Plant Operations: - Tableting, Encapsulation, Ointments, Liquids, Labeling, Packaging, Blistering, Powder filling, counting (Tablets & Capsules).



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27 WAYS TO USE

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1 MOUTHWASH

Dilute 5 capful of **ncp** to 10 capful of water morning and night.

2 CARE OF THE THROAT

Gargle thoroughly every hour or two with **diluted ncp liquid** (one capful to 4 or 5 capful of water)

3 SORE THROAT

Gargle deeply with **diluted ncp liquid** (5 capful to 10 capful of water)

4 FOR SEPTIC OR ULCERATED THROAT (TONSILITIS)

Apply slightly **diluted ncp liquid** (1 capful to 1 capful of water) once or twice daily.

5 GUM TROUBLES

Apply **diluted ncp liquid** (3 capful to 5 capful of water) on cotton wool to the affected gum twice or thrice daily. (also see your dentist)

6 MOUTH ULCERS

Apply **diluted ncp liquid** (1 capful to 1 capful of water) on cotton wool and dab the ulcers frequently with it.

7 CUTS

Dab in a **diluted solution of ncp** (1 capful to 2 capful of water) using clean gauze and then hold in position with sticking plaster after careful washing of the cut.

8 WOUNDS

Carefully wash the wound, then apply as in CUTS above.

9 BURNS

Apply immediately and allow to dry. Lightly fix gauze. Dab in **diluted ncp liquid** (2 capfuls to 3 capful of water). Renew this wet dressing should pain re-occur.

10 SCALDS

Apply as in BURNS above.

11 INFECTED PIMPLES

Apply **diluted ncp liquid** (1 capful to 2 capful of water) or **ncp cream** twice daily.

12 OPEN BLISTERS

Apply **ncp liquid** as soon as possible and allow to dry on the skin.

13 AFTER SHAVE

Apply using cotton wool **diluted ncp liquid** (1 capful to 1 capful of water) leave to dry. **Ncp cream** may also be used.

14 PILES

External- Bath with **diluted ncp liquid** (1 capful to 3 or 4 capful of water) twice daily.

Internal- Syringe with diluted (1 capful to 3 capful of water). Follow with an application of **ncp ointment** in both cases.

15 AFTER TOOTH EXTRACTION

Use 5-6 hours after extraction by holding in mouth **diluted ncp liquid** (1 capful to 2 capful of water) for at least 1 minute. Don't swallow.

16 PRICKLY HEAT

Dab the affected area lightly twice or thrice daily with cotton wool soaked in **ncp liquid** or apply **ncp cream** accordingly.



17 "WEEPING" ECZEMA

Adults- Apply and allow to dry on skin.
Children & sensitive areas- Dilute 1 capful of **ncp** to 2 capful of water and apply to skin twice or thrice daily.

18 SORES

Lightly bandage a thin pad of surgical gauze dabbed with **diluted ncp liquid** (1 capful to 1 capful of water) over the sore. Renew the dressing once or twice daily.

19 OPEN BOILS

Apply as in SORES above after opening the boil and letting out pus.

20 SPOTS

Apply the same methods as in PIMPLES above. **ncp ointment** can also be used.

21 ITCHY SCALP

Diluted ncp liquid (1 capful to 1 capful of water) can be used.

22 FEMALE INTIMATE USE

Douche daily with **diluted ncp liquid** (1 capful to 3 capful of water).

23 OPEN BRUISES

Apply as in SORES above.

24 HEAT RASHES

Adults- Allow **ncp liquid** to dry on skin dabbing with cotton wool.

Children- Dilute with twice the amount of water, and apply to skin twice or thrice daily.

25 MANICURE AND PEDICURE

Dab in **diluted ncp liquid** (1 capful to 1 capful of water) after manicure/pedicure. Apply with cotton wool.

26 DAILY BATH

Disinfect your bathing water with 4-5 capful of **ncp liquid**, especially in the absence of clean water.

27 HOUSEHOLD DISINFECTION

Diluted ncp liquid can be used to wash and disinfect floors, toilets, bath-tubs and sinks in home.



...every home needs **ncp** protection



The Directors submit herewith to the members of the company the statement of the Financial Position as at 30th September, 2014 together with the Comprehensive Income statement for the year ended on that date.

LEGAL FORM

The Company, Pfizer Products Nigeria was incorporated on 30th August 1957 as a limited liability company. It was converted to a public limited company in 1991. On 14th May 1997, Pfizer Inc. N.Y. divested from the company through a Management Buy-out. The company's name was subsequently changed to Neimeth International Pharmaceuticals Plc by a special resolution. The shares are currently quoted on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The principal activities of the company are the manufacture and marketing of pharmaceutical, Veterinary Products and general health care products.

INTERNAL CONTROL

There exists effective internal control function within the company, which gives reasonable assurance against any material misstatement or loss. The responsibility includes oversight functions of internal audit control and system analysis.

RESULTS FOR THE YEAR

	N'000
Loss before taxation for the year	(198,173)
Taxation	(30,362)

Loss for the year	(228,535)
	=====

DIRECTORS AND THEIR INTERESTS

- a. The name of current Directors are shown on page 4
- b. The Directors retiring by rotation at this Annual General Meeting in accordance with the company's Articles of Association are Prof M. M. Iwu, Mr. T. T. Osobu, Sir. I. Onyechi who being eligible, offer themselves for re-election.
- c. The interest of each Director in the share capital of the company as at 30th September, 2014 are as follows:



Name	Direct Holdings	Indirect Holdings	Total
Dr. A.B.C. Orjiako		338,525,003	338,525,003
Mazi S. I. Ohuabunwa	109,710,462	5,704,842	115,415,304
Mr. E. P. Ekunno	6,882,368	-	6,882,368
Mr. A. O. Balogun	7,776,340	-	7,776,340
Sir. G. N. Ohuabunwa	12,932,840	-	12,932,840
Mr. C. U. Mmeje	120,000	-	120,000
Engr. G. E. Omene	16,211,089	-	16,211,089
Prof. E. N. Sokomba	500,000	372,597,433	373,097,433
Prof. M. M. Iwu	3,497,126	-	3,497,126
Mr. I. T. Onyechi	75,000	59,919,999	59,994,999
Mr. T. T. Osobu	67,086,448	-	67,086,448

D. BENEFICIAL OWNERSHIP

- i. Dr. A.B.C. Orjiako is the beneficial owner of the 179,918,860 and 158,606,143 ordinary shares held by Ordrec Investments Limited and Helko Nigeria Limited.
- ii. Mazi S. I. Ohuabunwa is the beneficial owner of the 5,704,842 ordinary shares held by Masta Services Company Limited and Esi Ohuabunwa & Sons Limited.
- iii. Interceed Health Products Ltd is beneficial owner of the 372,597,433 ordinary shares held by Prof. E. N. Sokomba.
- iv. Mr. I. T. Onyechi is the beneficial owner of the 59,919,999 ordinary shares held by Alpha Pharmacy Ltd.

E. DIRECTORS INTEREST IN CONTRAST

None of the directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act Cap C20 LFN 2004 of any declarable interest in contract, with which the company is involved as at 30th September, 2014.

F. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the company at the end of each financial year, and of the profit or loss for that period, and comply with the Companies and Allied Matters Act Cap C20 LFN 2004. In doing so, they ensure that:

- proper accounting records are maintained
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, and prevent and detect fraud and other irregularities
- Applicable accounting standards are followed.
- Suitable accounting policies are adopted and consistently applied
- Judgments and estimates made are reasonable and prudent.



- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

ANALYSIS OF SHAREHOLDING

According to the register of members, Dr. A.B.C. Orjiako, Mazi S. I. Ohuabunwa and Interceded Health Products Limited respectively held more than 5% of the issued share capital of the company as at 30th September, 2014.

Range of Holdings	No. of Shareholdings	% of Shareholders	No. of Shares held	% of Shareholdings
1 - 1000	6,564	21.62	2,960,371	0.19
1001 - 5000	13,371	44.04	31,655,635	2.02
5001 - 10000	3,791	12.49	26,514,706	1.69
10001 - 50000	5,138	16.92	105,195,867	6.70
50001 - 100000	757	2.49	52,614,995	3.35
100001 - 500000	603	1.99	118,030,452	7.52
500001 - 1000000	61	0.20	40,663,228	2.59
1000001 - 50000000	71	0.23	244,104,329	15.55
50000001 - ABOVE	<u>6</u>	<u>0.02</u>	<u>947,811,745</u>	<u>60.39</u>
Total =	30,362	100.00	1,569,551,328	100.00

SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members, the following shareholders of the Company held more than 5% of the issued Share Capital of the Company as at 30th September, 2014.

Shareholder	Number of Shares	Percentage Holding
Ordrec Investments Limited	179,918,860	11.46
Helko Nigeria Limited	158,606,143	10.11
Mazi S. I. Ohuabunwa	109,710,462	6.99
Interceed Health Products Ltd	372,597,433	23.74

VALUE OF ASSETS

Particulars of the changes arising from additions and disposals of Property, Plant and Equipment during the year are contained in Note 8. Details of other assets of the Company as at 30th September 2014 are given in Notes 10 to 16 of the Statement of Financial Position..



CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is an integral part of our value system and business culture. The company is a committed citizen and partakes significantly in activities geared towards upliftment and improvement of the quality of life of Nigerians through donation of medicines, healthcare products, health programmes/solutions and sometimes cash. However during the year under review, no cash donation was made.

Some of the health programmes the company has been involved in include;

1. Mass deworming of children and young adults, numbering 1,500, of the Oregon Community
2. Mass deworming of children and adults in Sangotedo Health Centre Eti Osa East LCDA.
3. Inter-House Sports Competition of Federal Technical Science College, Yaba
4. FITGAH (Fight the Good Fight Against Hypertension) - This is an innovative CSR approach to reduce the price of our antihypertensives - namely: Amlovar, Nomoretic, Norduet and Miniplus by 50% to help Nigerian hypertensives manage the disease at affordable costs.
5. Use of Pyrantrin Kids Club to enlighten children on worms infestation and hygiene/health education.
6. Presentation of SMAPEX (Stress management programme for Executives)/SMAPOL (Stress management for police) to executives and paramilitary to enlighten them on stress management & negative health consequences.

COMPANY'S DISTRIBUTORS

The names of the company's key distributors during the period are as follows:

Santus Pharmacy, Lagos	Tista Clear Pharmacy, Kaduna
Zest Pharmacy, Lagos	Ebus Pharm, Port Harcourt
Bicon Pharm, Lagos	Bez Pharmacy, Calabar
Evita-Moore Pharm. Lagos	Tony Pharmacy, Kano
Canez Healthcare Ltd, Onitsha	Bebeto Pharm. Ltd, Uyo.
Nnaemeka Chris, Onitsha	J. Pocco Pharm, Onitsha
Chuddy Investment Ltd, Onitsha	Mid-Town Pharmacy, Abakaliki
Fiolu Pharm, Ilorin	Charity Nwaizu. Lagos
St. Peters Pharm, Benin	Samboson Pharm, Uyo.
Gio Supreme Pharm., Benin	Tanimola Pharm. Ibadan
Doche Pharmacy Ltd, Abuja	Twins Pharmacy, Ado-Ekiti



SUPPLIERS

The company's significant overseas suppliers are:

Capsugel
Long Range Europe Ltd.

Local suppliers are:

Usha Packaging Limited
Bowale Commercial Enterprises Limited
Drug & Healthcare Limited
Long Range Europe Limited
Yusfaith Lithographic Company Limited
Sankil Pharm. Ltd
Multiscreen Limited
Emmans Products
Funshow Print Company

The company is not associated with the local suppliers and obtains all its packaging materials at arm's length.

MANUFACTURING AND DISTRIBUTION AGREEMENTS

The company is in a manufacturing agreement with Late Professor Ekeke for the manufacture of Ciklavit. This attracts a royalty payment of 5%.

Royalty charge during the year amounted to N2,202,363.00 (2013 - N2,004,776.00)

RESEARCH AND DEVELOPMENT

The company, in its determination to maintain its status as one of the leading Healthcare Companies, continues to encourage Research and Development of existing and new products aimed at consistently improving the company's position.

EMPLOYEE INVOLVEMENT AND TRAINING

Employee involvement in decision making and implementation process is guaranteed through effective communication and openness. Formal meetings were held weekly at operational unit levels to ensure this. Scheduled operational meetings were also held at other hierarchy levels across units. Inter-divisional meetings were held monthly and a quarterly performance briefing by the CEO and divisional heads to all staff held quarterly. Informal meetings were held by staff and encouraged on a continuing basis as an accepted method of communication. Staff had opportunities at these meetings to seek clarifications and offer suggestions on issues that cut across capacity building, performance, welfare, work environment, as well as employee advancement prospects. This enhances prospects of individual ownership of processes and therefore improves commitment.



Our Human Resource is our most vital asset. Employees' training is therefore crafted to encapsulate all that is required to make a highly productive workforce knowing that the nature of our business requires a high degree of skill. Employee productivity is further stimulated through performance incentives and compensations.

HEALTH, SAFETY AND WELFARE OF EMPLOYEE

The well-being of employees, on the job, is sustained through various occupational health and safety activities. These include provision of protective apparel and safety equipment as necessary. Workshops on occupational safety, establishment and training of first-aid givers as well as routine fire Drills are also important aspects of the company's effort at ensuring a safe Work environment. Annual medical examination, under the company's Medical scheme, encourages preventive care amongst employees. In case of ill health, treatment is provided free to employees and their immediate family. This year, the Company subscribed to Royal Exchange Healthcare as the Company's official HMO under the National Health Insurance Scheme.

POST BALANCE SHEET EVENTS

There were no other significant post balance sheet events, which could have had material effect on the state of affairs of the company for the period ended 30th September, 2014 which had not been adequately provided for or disclosed.

AUDITORS

Messrs. PKF Professional Services has indicated their willingness to continue in office as the company's auditor in accordance with section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004. A resolution will be proposed authorizing the Directors to determine their remuneration.

By Order of the Board.

Dated this 9th day of February 2015



MRS. F. I. ONYENEKE (FRC/ICAN/00000010082)

Company Secretary
Lagos, Nigeria



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P.M.B. 21111, Ikeja, Lagos State Nigeria.
Telephone: 081 5842 2346.
E-mail: info@neimethplc.com.ng
Website: www.neimethplc.com.ng.

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

In accordance with Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that we have gone through the Auditors' Report for the period ended 30th September, 2014. We have obtained all the information and explanations we required.

In our opinion, the External Auditors' report is consistent with our review of the scope and planning of the audit. We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

We have reviewed the External auditors' findings and recommendations in the Management Report for the year under review as well as Management responses thereon.

We are satisfied with the responses to our questions and with the effectiveness of the system of accounting and internal control at Neimeth International Pharmaceuticals Plc.

Dated: 3rd December, 2014

CHIEF T. A. OKORONKWO
Chairman, Audit Committee
FRC/2013/ANAN/00000005079

Other members of the Audit Committee

Alh. A. O. Ajagun
Dr. Ojinka Marcel
Sir I. T. Onyechi
Mr. A. O. Balogun
Sir G. E. Omene
Mrs. F. I. Onyenekwe – Secretary to the Committee

**BREAKTHROUGH
AT LAST!!!**

Ciklavit*
1st Natural Nutritional Supplementary in the
management of sickle cell disorder.



Improving the well-being of people living with sickle cell anaemia

Board of Directors:

Dr. A. B. C. Orjiako (Chairman), Emmanuel Ekunno (MD/CEO), C. U. Mmeje (Executive), Mazi Sam L Oluabunwa (OFR), Prof. M. Iwu, A. O. Balogun, Sir Ike Onyechi, G. N. Oluabunwa, G. E. Omene, Prof. E. N. Sokomba, Thomas T. Osobu.

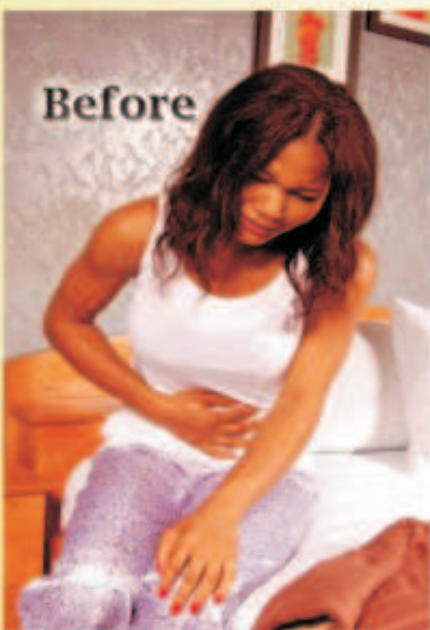
...Caring for women of all Ages



FLEXODENE
100mg
10 Capsules

FLUCOSYD
150mg
10 Capsules

TIICOSID
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10 Capsules



Before



After

"Finally! you can get rid of monthly menstrual pain with Flexodene"

INNOVATION



**Deworming
now Chocolatey!!!**



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

We have audited the accompanying financial statements of Neimeth International Pharmaceuticals Plc set out on pages 39 to 73 which comprise the statement of financial position at 30 September, 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statement

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004 and International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, NO. 6, 2011 and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error in making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Neimeth International Pharmaceuticals Plc at 30 September, 2014, and of its financial performance and its cash flows for the year then ended; in the manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004 and International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, NO. 6, 2011.

The Company has kept proper books of account, which are in agreement with the statement of financial position and statement of comprehensive income as it appears from our examination of their records.

Najeeb A. Abdus-salaam, FCA, FRC/2013/ICAN/0000000753
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria.



Date: 16 December, 2014

Tel: +234(01)8042074/7734940/7748366

Web: www.pkf-ng.com

Email: lagos@pkf-ng.com/info@pkf-ng.com

PKF House: 205A Ikorodu Road Obanikoro, Lagos G.P.O. Box2047 Marina Lagos, Nigeria

Partners: Isa Yusuf, Godwin C. Orak, Oluwole P.S. Adaj, Tajudeen A. Akande, Samuel I. Ochiemena, Najeeb A. Abdus-salaam, Olatunji O. Ogunbiyi, Benson O. Adesanya

Offices in: Abuja, Bauchi, Jos, Kaduna, Kano

PKF Professional Services is a member of PKF International Limited, a network of legally independent firms. PKF International does not accept any responsibility or liability for the actions or inactions on the part of any other individual member Firm or Firms.

AT 30 SEPTEMBER 2014

	Notes	2014 N'000	2013 N'000
Assets			
Non-current assets			
Property, plant and equipment	8	344,624	337,269
Assets under finance lease	9	182,094	55,153
Capital work in progress	10	15,258	33,623
Deposit for shares	11	24,515	24,515
Available for sale assets	12	-	55,629
		<u>566,491</u>	<u>506,189</u>
Current assets			
Inventories	13	847,014	724,897
Trade and other receivables	14	1,215,387	1,420,440
Other assets	15	88,530	146,458
Due from related parties	16	1,648	9,877
Cash and cash equivalents		63,418	83,218
		<u>2,215,997</u>	<u>2,384,890</u>
Total assets		<u>2,782,488</u>	<u>2,891,079</u>
Current liabilities			
Short term borrowings	17	129,294	49,953
Current portion of long term borrowings	18	263,780	374,772
Trade and other payables	19	350,512	291,248
Employee benefits	21.1	108,399	81,931
Taxation payable	22	84,980	73,023
Finance lease obligation	25	95,182	33,902
Dividend payable	26	14,676	14,676
		<u>1,046,823</u>	<u>919,505</u>
Non-current liabilities			
Employee benefits	21.2	69,632	145,632
Finance lease obligation	25	13,155	40,712
Deferred taxation	23	22,449	5,021
		<u>105,236</u>	<u>191,365</u>
Total liabilities		<u>1,152,059</u>	<u>1,110,870</u>
Net assets		<u>1,630,429</u>	<u>1,780,209</u>
Equity			
Share capital	27	784,776	653,980
Deposit for shares	28	137,420	46,420
Share premium	29	1,197,933	1,197,933
Bonus issue reserve	30	-	130,796
Fair value reserve	31	-	12,245
Retained earnings	32	(489,700)	(261,165)
Total equity		<u>1,630,429</u>	<u>1,780,209</u>

These financial statements were approved by the Board of Directors on 16 December 2014 and signed on its behalf by:


 Mr. E. P. Ekanno
 Managing Director
 FRC/2014/PCNNG/00000006113


 Mr. C. U. Mmejé
 Finance Director
 FRC/2014/CIBN/00000006114

The explanatory notes and statement of significant accounting policies on pages 43 to 73 form an integral part of these financial statements.

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 N'000	2013 N'000
Turnover	33	1,628,395	2,016,522
Cost of sales		<u>(855,270)</u>	<u>(959,225)</u>
Gross Profit		773,125	1,057,297
Marketing and distribution expenses	34	(344,770)	(415,771)
Administrative expenses	35	(577,519)	(475,338)
Loss on disposal of investment securities		(4,605)	-
Other income	36	<u>40,034</u>	<u>71,574</u>
Operating income		(113,735)	237,762
Finance costs	37	<u>(84,438)</u>	<u>(55,627)</u>
(Loss)/profit before taxation		(198,173)	182,135
Current income tax expense	23	(12,934)	(18,382)
Deferred income tax expense	23	<u>(17,428)</u>	<u>(33,175)</u>
(Loss)/profit for the year after taxation		<u>(228,535)</u>	<u>130,578</u>
Other comprehensive income			
Gain on available for sale assets	31	<u>-</u>	<u>20,918</u>
Total other comprehensive income		<u>-</u>	<u>20,918</u>
Total comprehensive (loss)/income		<u>(228,535)</u>	<u>151,496</u>
(Loss)/earnings per share (Kobo)	42	<u>(15)</u>	<u>10</u>

The explanatory notes and statement of significant accounting policies on pages 43 to 73 form an integral part of these financial statements.



FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Issued share capital N'000	Share premium N'000	Bonus issue reserve N'000	Deposit for shares N'000	Fair value reserve N'000	Retained earnings N'000	Total equity N'000
At 30 September 2012	653,980	1,328,729	-	-	(8,673)	(391,743)	1,582,293
Changes in equity for 2013							
Profit for the year	-	-	-	-	-	130,578	130,578
Other comprehensive income							
Fair value changes on available for sale assets	-	-	-	-	20,918	-	20,918
Exchange gain or loss on foreign operations	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	20,918	130,578	151,496
Issue of share capital	-	-	-	-	-	-	-
Transfer to bonus issue reserve	-	(130,796)	130,796	-	-	-	-
Increase in share premium	-	-	-	-	-	-	-
Deposit for future subscription of stocks	-	-	-	46,420	-	-	46,420
At 30 September 2013	653,980	1,197,933	130,796	46,420	12,245	(261,165)	1,780,209
	Issued share capital N'000	Share premium N'000	Bonus issue reserve N'000	Deposit for shares N'000	Fair value reserve N'000	Retained earnings N'000	Total equity N'000
At 30 September 2013	653,980	1,197,933	130,796	46,420	12,245	(261,165)	1,780,209
Changes in equity for 2014							
Profit for the year	-	-	-	-	-	(228,535)	(228,535)
Transfer to income statement	-	-	-	-	-	-	-
Other comprehensive income							
Fair value changes on available for sale assets	-	-	-	-	(12,245)	-	(12,245)
Exchange gain or loss on foreign operations	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(12,245)	(228,535)	(240,780)
Issue of share capital	-	-	-	-	-	-	-
Transfer between share capital/ premium	130,796	-	(130,796)	-	-	-	-
Transaction costs for equity issue	-	-	-	-	-	-	-
Deposit for future subscription of stocks	-	-	-	91,000	-	-	91,000
At 30 September 2014	784,776	1,197,933	-	137,420	-	(489,700)	1,630,429



FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 N'000	2013 N'000
Cash flows from operating activities			
Cash flow (used in)/generated from operations	40	513,850	189,254
Cash receipts from customers		1,673,779	2,080,223
Cash payments to suppliers and employees		(1,988,116)	(2,062,949)
Payment for employee benefit obligations		(109,021)	(100,313)
Current income tax paid	22	(977)	(9,370)
Net cash from operating activities		89,515	96,845
Cash flows from investing activities			
Purchase of property plant and equipment	8	-	(17,743)
Purchase of assets under finance lease		-	(57,055)
Acquisition of capital work in progress	10	(198,147)	(14,315)
Acquisition of AFS investments		-	(184)
Proceed on disposal of property, plant and equipment		3,684	9,025
Proceed on disposal of investments		51,024	-
Dividend received	36	1,312	848
Net cash (used in)/from investing activities		(142,127)	(79,424)
Cash flows from financing activities			
Finance costs paid	37	(84,438)	(55,627)
Repayments of finance lease obligations	25	(56,493)	(21,414)
Dividend paid	26	-	(9,420)
Proceeds from finance lease obligations	18.1	89,670	49,616
Repayments of term loans	18.1	(124,218)	(98,809)
Proceeds of term loans received		37,950	99,575
Proceeds from deposit for shares	28	91,000	46,420
Net cash used in financing activities		(46,529)	10,341
(Decrease)/Increase in cash and cash equivalents		(99,141)	27,762
Cash and cash equivalent at the beginning of the year		33,265	5,503
Cash and cash equivalent at the end of the year	41	(65,876)	33,265

The explanatory notes and statement of significant accounting policies on pages 6 to 35 form an integral part of these financial statements.



FOR THE YEAR ENDED 30 SEPTEMBER 2014**1. The Company****1.1 Legal form**

Neimeth International Pharmaceuticals Plc, a Company quoted on the Nigerian Stock Exchange was incorporated on 30 August 1957 as a limited liability company and commenced operation in January 1958. On 14 May 1997, Pfizer Inc NY divested from the Company through a Management Buy out.

1.2 Principal activities

The principal activities of the Company are manufacturing and marketing of pharmaceuticals and animal health products.

2. Basis of Preparation**2.1 Statement of compliance**

The Company's financial statements for the year ended 30 September 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB.

Additional information required by local regulators have been included where appropriate.

2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets (liabilities) which were measured at fair value.

The financial statements are presented in the Nigerian Naira (NGN), which is the Company's chosen currency for presentation.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates; it also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Company's financial statements present the financial position and results fairly.

2.3 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 October 2013 and not early adopted**a IFRS 9, 'Financial instruments'**

This addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. This determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option are taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 not later than the accounting period beginning on or after 1 October 2014.

b IFRS 15 Revenue from Contracts with Customers

To recognise revenue, a company would apply the following five steps: Identify the contract(s) with the customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price; Recognised revenue when a performance obligation is satisfied. A company would recognise an asset for the incremental costs of obtaining a contract if those costs are expected to be recovered. For many contracts, such as many straight forward retail transactions, IFRS 15 will have little, if any effect on the amount and timing of revenue recognition. A company will be able to recognize revenue over time only if the criteria specified in IFRS 15 are met. In all other cases, a company will recognize revenue at the point in time when the customer obtains control of the promised goods or services.



FOR THE YEAR ENDED 30 SEPTEMBER 2014

3. Summary of Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all periods presented in the financial statements unless otherwise indicated.

3.1 Intangible Assets**3.1.1 Intangible Assets Acquired Separately**

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with indefinite useful lives are tested for impairment annually.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

3.1.2 Intangible assets generated internally

Expenditures on research or on the research phase of an internal project are recognized as an expense when incurred. The intangible assets arising from the development phase of an internal project are recognized if, and only if, the following conditions apply:

- The Company has the intention of completing the asset for either use or resale.
- The Company has the ability to either use or sell the asset.
- It is possible to estimate how the asset will generate income.
- The Company has adequate financial, technical and other resources to develop and use the asset.
- The expenditure incurred to develop the asset is measurable.
- It is technically feasible to complete the asset for use by the Company.

If no intangible asset can be recognized based on the above, then development costs are recognised in income statement in the period in which they are incurred.

3.2 Property, Plant and Equipment**3.2.1 Initial Recognition**

All property, plant and equipment assets are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

3.2.2 Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3.2.3 Depreciation of Property, Plant and Equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Land	Nil
Buildings	3
Office equipment and furniture	10
Machinery and equipment	10
Motor vehicles	20
Computer equipment	33 $\frac{1}{3}$

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.



FOR THE YEAR ENDED 30 SEPTEMBER 2014

3.2.4 Derecognition

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement under operating income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

3.2.5 Reclassification

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in the income statement.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value on a first - in, first - out basis. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling.

3.5 Impairment of non-financial assets

The Company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.6 Financial instruments

Financial instruments carried in the statement of financial position includes available for sale assets, loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss or any directly attributable transaction costs. The various classifications of financial instruments, their measurement subsequent to initial recognition, reclassifications and derecognition are stated as follows:

3.6.1 Financial assets

The Company classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity assets and available for sale assets. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

a Classification**Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.



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A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets designated as at fair value through profit or loss at inception are those that are:

Held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

Held-to-maturity Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as at fair value through profit or loss;
- those that the Company designates as available for sale; and
- those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'finance income'. In the case of an impairment, it is been reported as a deduction from the carrying value of the investment and recognised in the income statement as 'net gains/(losses) on investment securities'.

Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

b Recognition and Measurement

Regular-way purchases and sales of financial assets are recognized on the trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.



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When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the company's right to receive payments is established; both are included in the investment income line.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The quoted market price used for financial assets held by the company is the current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, Industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

The Company uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity like options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Financial liabilities

The company's financial liabilities in the statement of financial position includes borrowings. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Interest bearing borrowings

Interest bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.



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3.6.3 Impairment of Financial Assets**a Financial assets carried at amortised cost**

The company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets are impaired includes observable data that come to the attention of the group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
- Adverse changes in the payment status of issuers or debtors in the group; or
- National or local economic conditions that correlate with defaults on the assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.



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b Assets classified as available for sale

The company assesses at each date of the statement of financial position whether there is objective evidence that the company's financial assets are impaired. In case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.6.4 Offsetting financial instruments

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

3.7 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables are expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

3.8 Cash and cash equivalents

Cash equivalents comprises short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of presenting the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**3.9.1 As lessor
Operating leases**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Any balloon payments and rent free periods are taken into account when determining the straight-line charge.

**3.9.2 As lessee
Finance leases**

Assets held under finance leases are recognised as assets of the company at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments.

The related liability to the lessor is included in the statement of financial position as a finance lease obligation.



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Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognised immediately in profit or loss, unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except if another systematic basis is more representative of the time pattern in which economic benefits will flow to the company.

Contingent rentals arising under operating leases are recognised in the period in which they are incurred.

3.10 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

3.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

3.12 Employee benefits**3.12.1 Defined contribution plan**

The company runs a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.12.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the company's obligation and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method.

The company recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.



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The company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not previously been recognised.

3.12.3 Termination benefits

Termination benefit are recognized as an expense when the company is demonstrably committed without realistic possible withdrawal, to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as expenses if the company has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.12.4 Short term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Taxation

The tax expense for the period comprises current and deferred taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.



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3.14 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities.

Restructuring

A provision for restructuring is recognized when the company has approved a formal detail restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Onerous contract

Provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

3.15 Equity instruments

Equity instruments issued by the company are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

3.16 Compound instruments

At the issue date, the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently remeasured.

3.17 Revenue recognition**3.17.1 Sale of goods**

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence persists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.17.2 Investment return

Investment return comprises costs of dividend, interest and rent receivable, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.



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3.17.3 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

3.17.4 Rental income

Rental income is recognized on an accrued basis.

3.17.5 Realised gains and losses

The realised gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

3.18 Foreign currencies**Foreign currency transactions**

Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs, where those interest costs qualify for capitalization to assets under construction.
- Exchange differences on transactions entered into to hedge foreign currency risks.
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.19 Segment reporting

An operating segment is a component of an entity:

- a That engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the same entity).
- b Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment, assess its performance, and
- c For which discrete financial information is available.

Quantitative thresholds have been set for determining operating segments for which separate information should be disclosed. Separate information should be disclosed for any operating segment:

- With revenue (including both external sales and inter-segment transfers) that is 10% or more of the total revenue of all the operating segments;
- With assets that are 10% or more of the combined assets of all the operating segments; or
- Where its profit or loss which, in absolute terms, is 10 per cent or more of the greater, in absolute amount, of the combined reported profit of all profit making operating segments and
- The combined reported loss of all loss-making operating segments.

An entity may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics and share a majority of the aggregation criteria.

If the total external revenue reported by operating segments constitutes less than 75% of the entity's revenue, additional operating segments shall be identified as reportable segments until at least 75% of the entity's revenue is included in reportable segments.

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If an operating segment is identified as a reportable segment in the current period in accordance with the quantitative thresholds, segment data for a prior period presented for comparative purposes shall be restated to reflect the newly reportable segment as a separate segment, even if that segment did not satisfy the criteria for reportability in the prior period, unless the information is not available and the cost to develop it is excessive.

The disclosure of segmental cash flows enables users to obtain a better understanding of the relationship between the cash flows of the business as a whole and those of its component parts and the availability and variability of segmental cash flows.

The company should disclose the factors used to identify its reportable segments. This should include the basis of organisation, for example by difference in products or services, geographical areas, regulatory environments or a combination of factors.

The company should disclose the types of products and services from which each reportable segment derives its revenues.

Information about other business activities and operating segments that are not reportable shall be combined and disclosed in an 'all other segments'.

The sources of the revenue included in the 'all other segments' category shall be described.

An entity shall provide an explanation of the measurements of segment profit or loss, segment assets and segment liabilities for each reportable segment.

Certain entity wide disclosures are also required for all entities, including those entities that have single reporting segment, including information about: products and services; geographical areas; and major customers. An entity shall report the revenues from external customers for each product and service, or each group of similar products and services, unless the necessary information is not available and the cost to develop it would be excessive, in which case that fact shall be disclosed. The amounts of revenue reported shall be based on the financial information used to produce the entity's financial statements.

An entity shall report geographical information for revenue from external customers:

- i) Attributed to the entity's country of domicile and
- ii) Attributed to all foreign countries in total from which the entity derives revenues. If revenues from external customers attributed to an individual foreign country are material, those revenues shall be disclosed separately. An entity shall disclose the basis for attributing revenues from external customers to individual countries.

An entity shall report geographical information for non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) Located in the entity's country of domicile; and

An entity shall provide information about the extent of its reliance on its major customers. If revenue from transactions with a single external customer amount to 10 per cent or more of an entity's revenues, the entity shall disclose that fact, the total amount of revenues from such customer, and the identity of the segment or segments reporting the revenues. The entity need not disclose the identity of a major customer or the amount of revenues that each segment reports from that customer. For the purposes of this IFRS, a group of entities known to a reporting entity to be under common control shall be considered a single customer, and a government (national, state, provincial, territorial, local or foreign) and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

4. Critical accounting estimates and judgement

The company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.



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The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both the estimates and assumptions that have significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next financial statements are discussed below:

a Defined benefit obligation

The present value of defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligation include the discount rate, the company determines the discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimate future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the company considers the interest rates of high- quality corporate bond that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the defined benefit obligation.

b Impairment of available-for-sale equity financial assets

The company determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c Impairment of property, plant and equipment and intangible assets

Management is required to make judgement concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate impairment exist.

d Others are:

- i Residual values of items of property, plant and equipment.
- ii Estimated useful lives of item of property, plant and equipment.
- iii Allowance for obsolete stock.
- iv Allowance for doubtful debts.

5. Risk management framework

The primary objective of the company's risk management framework is to protect their stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The company has established a risk management function with clear terms of reference from the board of Directors, its committees and the executive management committees.



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The company has established a risk management function with clear terms of reference from the board of Directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

Strategic risks– This specifically focused on the economic environment, the products offered and market. The strategic risks arises from a company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.

Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial Risks – Risk associated with the financial operation of the company, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

5.1 Strategic Risks

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the company.

- i To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- ii To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- iii To retain financial flexibility by maintaining strong liquidity.
- iv To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- v To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

5.2 Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risks in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentataion of controls and procedures.
- training and professional development.
- Ethical and business standards.



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5.3 Financial risks

The Company has exposure to the following risks from financial instruments:

Credit risks
Liquidity risks
Market risks

a Credit risks

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. Credit risk arises from loans and receivables, accounts receivables (excluding prepayments and VAT), and cash and cash equivalent.

Exposure to credit risk is monitored on an ongoing basis, with credit checks performed on all clients requiring credit over certain amounts. Credit is authorized beyond the credit limits established where appropriate. Credit granted is subject to regular review, to ensure it remains consistent with the client's credit worthiness and appropriate to the anticipated volume of business.

The Company limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a credit rating. Management actively monitors credit ratings and given that the Company only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Company has no significant concentration of credit risk with respect to trade receivables due to a widely dispersed customer base.

Exposure to risk

The carrying amount of the Company's financial instruments represents the maximum exposure to credit risk.

	2014 N'000	2013 N'000
Financial assets		
Available for sale assets	-	55,629
Trade and other receivables	1,215,387	1,420,440
Cash and cash equivalents	<u>63,418</u>	<u>83,218</u>

An analysis of trade receivables

	Carrying amount N'000	Note	Past due but not impaired				
			Neither impaired nor past due N'000	4 - 6 months N'000	7 - 9 months N'000	10 - 12 months N'000	Above 12 months N'000
			2014	1,637,656	14	229,499	225,431

	Carrying amount N'000	Note	Past due but not impaired				
			Neither impaired nor past due N'000	4 - 6 months N'000	7 - 9 months N'000	10 - 12 months N'000	Above 12 months N'000
			2013	1,683,040	14	655,374	150,665



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The Company allows an average debtors period of 90 days after invoice date. It is the Company's policy to assess trade receivables for recoverability on an individual basis and to test for impairment where it is considered necessary. In assessing recoverability the Company takes into account any indicators of impairment up until the reporting date. The application of this policy generally results in debts below 12 months not being provided for unless individual circumstances indicate that a debt is impaired. While full provision is made for debtors balances above 12 months.

Trade receivables that are not impaired are made up of 49% of debtors balance (2013:39%). The average age of these debtors is 367 days (2013:305 days). No debtors balance have been renegotiated during the year or in the prior year.

b Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Company employs policies and procedures to mitigate the it's exposure to liquidity risk. The Company complies with minimum regulatory requirements.

c Market risks

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. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

d Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's principal transactions are carried out in Naira and its financial assets are primarily denominated in the Naira and its exposure to foreign exchange risk is minimal.

6. Capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

Approach to capital management

In the management of its capital, the Company has certain objectives which it intends to achieve. These include:

The safeguarding of the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders by pricing products commensurately with the level of risk.

Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:

Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. ordinary shares, share premium and retained earnings).

During 2014, the Company's strategy, which was unchanged from 2013, was to maintain the debt-to-capital ratio at 2:1 in order not to deviate too far from the industry average of 3:1 attributable to manufacturing companies with a considerable reliance on debt financing.



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The debt-to-capital ratios at 30 September 2014 and its comparative year were as follows:

	2014 N'000	2013 N'000
Total liabilities	1,152,059	1,110,870
Less: cash and cash equivalents	<u>63,418</u>	<u>83,218</u>
Net debt	<u>1,088,641</u>	<u>1,027,652</u>
Total equity	<u>1,630,429</u>	<u>1,780,209</u>
Debt-to-capital ratio	<u>0.67</u>	<u>0.58</u>

The increase in the debt-to-capital ratio during 2014 resulted primarily from the increase in net debt that occurred as at the end of the year.

The Company's primary source of capital is borrowed funds from various financial institutions repayable with interest at specified dates.

There have been no significant changes to its capital structure during the past year from previous years.

Financial instruments and fair values

As explained in Note 3.6, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. These categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost or fair value through profit or loss.



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7.1 The fair value of financial assets together with the carrying amounts shown in the statement of financial position are as follows:

	Note	Financial assets				Financial liabilities		Total carrying amount	Fair value
		Fair value through profit or loss	Loans and receivables	Available for sale	Held to maturity	Amortised cost	Fair value through profit or loss		
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	
At 30 September 2014									
Assets									
Available for sale assets	12	-	-	-	-	-	-	-	-
Trade and other receivables	14	-	1,215,387	-	-	-	-	1,215,387	1,652,728
Cash and cash equivalents		63,418	-	-	-	-	-	63,418	63,418
		63,418	1,215,387	-	-	-	-	1,278,805	1,716,146
Liabilities									
Trade and other payables	19	-	-	-	-	-	350,512	350,512	350,512
Long term borrowings (including current portion)	18	-	-	-	-	263,780	-	263,780	263,780
Finance lease payable	25	-	-	-	-	13,155	-	13,155	13,155
		-	-	-	-	276,935	350,512	627,447	627,447
At 30 September 2013									
Assets									
Available for sale assets	12	-	-	55,629	-	-	-	55,629	55,629
Trade and other receivables	14	-	-	-	-	-	1,420,440	1,420,440	1,704,256
Cash and cash equivalents		-	-	-	-	-	83,218	83,218	83,218
		-	-	55,629	-	-	1,503,658	1,559,287	1,843,103
Liabilities									
Trade and other payables	19	-	-	-	-	-	291,248	291,248	291,248
Long term borrowings (including current portion)	18	-	-	-	-	374,772	-	374,772	374,772
Finance lease payable	25	-	-	-	-	40,712	-	40,712	40,712
		-	-	-	-	415,484	291,248	706,732	706,732

7.2 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payable and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains in a separate component of equity at the end of the reporting year.

The fair value of current financial assets and liabilities are stated at amortized cost.

7.3 Fair value measurements recognised at the reporting date

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value;

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company quoted investments at 30 September 2014 is NIL (2013: N55 million) which are categorised as **level 1**, because the securities are listed. There are however, no financial instruments in the level 2 and 3 categories for the year.

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8. Property, plant and equipment

	Land N'000	Building N'000	Machinery and equipment N'000	Furniture and fittings N'000	Motor vehicles N'000	Computer equipment N'000	Total N'000
Cost							
At 1 October	20,467	28,960	377,183	53,963	370,758	42,276	893,607
Transferred from capital work in progress	7,285	20,243	41,891	7,358	-	96	76,873
Disposal	-	-	-	(1,010)	(33,088)	-	(34,098)
At 30 September	<u>27,752</u>	<u>49,203</u>	<u>419,074</u>	<u>60,311</u>	<u>337,670</u>	<u>42,372</u>	<u>936,382</u>
Depreciation							
At 1 October	-	1,546	185,053	42,583	285,626	41,530	556,338
Charge for the year	-	983	33,267	2,519	28,670	594	66,033
Disposal	-	-	-	(1,010)	(29,603)	-	(30,613)
At 30 September	<u>-</u>	<u>2,529</u>	<u>218,320</u>	<u>44,092</u>	<u>284,693</u>	<u>42,124</u>	<u>591,758</u>
Carrying amount:							
At 30 September 2014	<u>27,752</u>	<u>46,674</u>	<u>200,754</u>	<u>16,219</u>	<u>52,977</u>	<u>248</u>	<u>344,624</u>
At 30 September 2013	<u>20,467</u>	<u>27,414</u>	<u>192,130</u>	<u>11,380</u>	<u>85,132</u>	<u>746</u>	<u>337,269</u>

9. Assets under finance lease

	Plant and Machinery N'000	Motor vehicles N'000	Total N'000
Cost			
At 1 October	-	57,055	57,055
Transferred from capital work in progress	134,696	4,943	139,639
At 30 September	<u>134,696</u>	<u>61,998</u>	<u>196,694</u>
Depreciation			
At 1 October	-	1,902	1,902
Charge for the year	1,122	11,576	12,698
At 30 September	<u>1,122</u>	<u>13,478</u>	<u>14,600</u>
Carrying amount			
At 30 September 2014	<u>133,574</u>	<u>48,520</u>	<u>182,094</u>
At 30 September 2013	<u>-</u>	<u>55,153</u>	<u>55,153</u>

10. Capital work in progress

	2014 N'000	2013 N'000
At 1 October	33,623	66,599
Additions in the year	198,147	14,315
Transferred to fixed assets	(216,512)	-
Reclassifications	-	(47,291)
At 30 September	<u>15,258</u>	<u>33,623</u>



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	2014 N'000	2013 N'000
11. Deposit for shares	24,515	24,515
This represents deposit for shares in Worldwide Health Limited. The shares are yet to be allotted.		
12. Available for sale assets		
Market value at beginning	55,629	34,527
Additions	-	184
Disposal	(51,024)	-
Write off of fair value gain	(4,605)	-
Fair value gains	-	20,918
Market value at year end	<u>-</u>	<u>55,629</u>
13. Inventories		
Raw materials	456,679	321,464
Work-in-progress	30,565	53,143
Finished goods	265,181	294,628
Spare parts	21,888	30,183
Goods in transit	72,701	25,479
	<u>847,014</u>	<u>724,897</u>
14. Trade and other receivables		
Trade receivables	1,637,656	1,683,040
Staff loans	15,072	21,217
Allowance for doubtful receivables (Note 14.1)	(437,341)	(283,817)
	<u>1,215,387</u>	<u>1,420,440</u>
14.1 Allowance for doubtful receivables		
At 1 October	283,817	531,046
Additions	153,524	154,415
Written off	-	(401,644)
At 30 September	<u>437,341</u>	<u>283,817</u>
There is no material difference between the fair value of receivables and their carrying amount.		
At 30 September 2014, the Company has recognised N437million (2013 :N284 million) as allowances for impairment losses of its trade receivables.		
15. Other assets		
Prepayments	13,887	6,578
Withholding tax recoverable	33,664	26,582
Advances to suppliers	40,979	113,298
	<u>88,530</u>	<u>146,458</u>



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	2014 N'000	2013 N'000	
16. Due from related parties			
Intercompany balances	<u>1,648</u>	<u>9,877</u>	
17. Short term borrowings			
Bank overdrafts	<u>129,294</u>	<u>49,953</u>	
Bank overdrafts are secured by negative pledge over the Company's assets			
18. Borrowings			
Term loans (Note 18.1)	<u>263,780</u>	<u>374,772</u>	
Analysed into:			
Current portion	<u>263,780</u>	374,772	
Non-current portion	<u>-</u>	<u>-</u>	
	<u>263,780</u>	<u>374,772</u>	
18.1 Term loans			
At 1 October	374,772	431,378	
Additions in the year	37,950	99,575	
Repayment during the year	(124,218)	(98,809)	
Exchange loss	(24,724)	(57,372)	
At 30 September	<u>263,780</u>	<u>374,772</u>	
	Current portion N'000	Non current portion N'000	Total N'000
18.2 Analysis of term loans			
2014			
Daewoo Securities (Europe) Limited	258,457	-	258,457
REAN Finance Company Limited	<u>5,323</u>	<u>-</u>	<u>5,323</u>
	<u>263,780</u>	<u>-</u>	<u>263,780</u>
2013			
Daewoo Securities (Europe) Limited	274,224	-	274,224
Diamond Bank Plc	8,190	-	8,190
REAN Finance Company Limited	<u>92,358</u>	<u>-</u>	<u>92,358</u>
	<u>374,772</u>	<u>-</u>	<u>374,772</u>



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18.3 Term loans relate to:

- N420 million (400 million Japanese Yen (JPY)) zero coupon bond at 7.5% per annum issued by the Company in 2007/2008 financial year. The bond is due by 2014 (but callable in January, 2010) with options to subscribe ordinary shares of the Company to Daewoo Securities (Europe) Limited. The Company defaulted in honouring its obligation to the bond in accordance with the repayment plan. The balance of N198 million at 30 September 2014 has been due for repayment since September 2011.
- Facilities obtained from two financial institutions in Nigeria at negotiated interest rates. The facilities are secured by negative pledge.

	2014 N'000	2013 N'000
19. Trade and other payables		
Trade payables	75,168	90,168
Accruals	131,438	78,075
Statutory deductions	51,271	50,555
Royalties payable	53,081	53,345
Others	39,554	19,105
	<u>350,512</u>	<u>291,248</u>

20. Maturity profile of financial liabilities

	Below one year N'000	Due within one - five years N'000	five years and above N'000	Total N'000
2014				
Short term borrowings	129,294	-	-	129,294
Trade and other payables	350,512	-	-	350,512
Finance lease obligation	95,182	13,155	-	108,337
Term loans	263,780	-	-	263,780
	<u>838,768</u>	<u>13,155</u>	<u>-</u>	<u>851,923</u>
2013				
Short term borrowings	49,953	-	-	49,953
Trade and other payables	291,248	-	-	291,248
Finance lease obligation	33,902	40,712	-	74,614
Term loans	374,772	-	-	374,772
	<u>749,875</u>	<u>40,712</u>	<u>-</u>	<u>790,587</u>

	2014 N'000	2013 N'000
21. Employee benefits		
Defined contribution pension plan (21.1)	108,399	81,931
Defined benefit pension plan (21.2)	69,632	145,632
	<u>178,031</u>	<u>227,563</u>



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	2014 N'000	2013 N'000
21.1 Defined contribution pension plan		
At 1 October	81,931	97,104
Provision for the year	59,489	47,506
Payment during the year	<u>(33,021)</u>	<u>(62,679)</u>
At 30 September	<u>108,399</u>	<u>81,931</u>
21.2 Defined benefit pension plan		
At 1 October	145,632	178,765
Reclassification	-	4,501
Payments during the year	<u>(76,000)</u>	<u>(37,634)</u>
At 30 September	<u>69,632</u>	<u>145,632</u>
<p>The Company discontinued provision for gratuity in 2007. The balance is due to employees who are entitled to gratuity as at 2007 and is paid whenever they disengage from the service of the company.</p>		
22. Current tax payable		
At 1 October	73,023	64,011
Payment in the year	(977)	(9,370)
Charge for the year (Note 24)	<u>12,934</u>	<u>18,382</u>
At 30 September	<u>84,980</u>	<u>73,023</u>
<p>The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 and the Education Tax Act, CAP E4, LFN 2004 as amended.</p>		
23. Deferred taxation		
At 1 October	5,021	(28,154)
Charge for the year (Note 24)	<u>17,428</u>	<u>33,175</u>
At 30 September	<u>22,449</u>	<u>5,021</u>



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23.1 Deferred tax assets and liabilities

Reconciliation of deferred tax assets and liabilities:

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Property, plant and equipment	23	72,173	75,258	-	75,236	72,173
Exchange gain	-	-	7,403	20,746	7,403	(20,746)
Provisions	53,998	-	-	46,406	(53,998)	(46,406)
	<u>54,021</u>	<u>72,173</u>	<u>82,661</u>	<u>67,152</u>	<u>28,641</u>	<u>5,021</u>
Tax liability C/F	-	-	-	-	(6,192)	-
Tax liability brought forwards	-	-	-	-	(5,021)	28,154
Deferred tax (asset)/liability	<u>54,021</u>	<u>72,173</u>	<u>82,661</u>	<u>67,152</u>	<u>17,428</u>	<u>33,175</u>

The Company has adopted the International Accounting Standard 12 - Income taxes, deferred taxation, which is computed using the liability method.

24. Taxation charge

	2014 N'000	2013 N'000
Minimum tax	10,307	11,452
Education tax	2,627	6,929
	<u>12,934</u>	<u>18,381</u>
Deferred taxation	17,428	33,175
Income statement	<u>30,362</u>	<u>51,556</u>

The minimum tax charge on the loss for the year ended 30 September 2014 is in line with section 28A (3b) of Companies Income Tax Act, CAP C21 LFN 2004 as amended.

24.1 Reconciliation of effective tax rate

The tax expense for the year is reconciled to the (loss)/ profit for the year as follows:

(Loss)/profit before tax	(198,173)	182,135
Tax thereon @ 30%	-	54,640
Deductible items	-	49,297
Balancing charge	-	-
Capital allowance	-	(67,559)
Education tax	2,627	6,929
Minimum tax	10,307	-
Deferred tax effect	17,428	33,175
Tax expense for the year	<u>30,362</u>	<u>76,482</u>
(Loss)/profit after tax	<u>(228,535)</u>	<u>105,653</u>

24.2 The tax rate is reconciled to the effective tax rate as follows:

	%	%
Tax rate	30	30
Deductible items	-	27
Balancing charge	-	-
Capital allowance	-	(37)
Education tax	(1)	4
Deferred tax effect	(9)	18
Total effective tax rate	<u>20</u>	<u>42</u>



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	2014 N'000	2013 N'000
25. Finance lease obligation		
At 1 October	74,614	46,412
Reclasifications	546	-
Additions in the year	89,670	49,616
Repayment in the year	(56,493)	(21,414)
At 30 September	<u>108,337</u>	<u>74,614</u>
Analysed into:		
Current portion	95,182	33,902
Non Current portion	<u>13,155</u>	<u>40,712</u>
	<u>108,337</u>	<u>74,614</u>
26. Dividend payable		
At 1 October	14,676	24,096
Paid in the year	-	(9,420)
At 30 September	<u>14,676</u>	<u>14,676</u>
27. Share capital		
27.1 Authorised:		
2,000,000,000 ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>
27.2 Issued and fully paid:		
At 1 October (1,307,960 ordinary shares of 50k each)	653,980	653,980
Transferred from bonus issue reserve (261,592,000 ordinary shares of 50k each)	130,796	-
At 30 September	<u>784,776</u>	<u>653,980</u>
28. Deposit for shares		
At 1 October	46,420	-
Additions in the year	91,000	46,420
At 30 September	<u>137,420</u>	<u>46,420</u>
29. Share premium		
At 1 October	1,197,933	1,328,729
Transferred to bonus issue reserve	-	(130,796)
At 30 September	<u>1,197,933</u>	<u>1,197,933</u>
30. Bonus issue reserve		
At 1 October	130,796	-
Transferred to share capital	(130,796)	-
Declared in the year	-	130,796
At 30 September	<u>-</u>	<u>130,796</u>
31. Fair value reserve		
At 1 October	12,245	(8,673)
(Loss)/gain for the year	(12,245)	20,918
At 30 September	<u>-</u>	<u>12,245</u>



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	2014 N'000	2013 N'000
32. Retained earnings		
At 1 October	(261,165)	(391,743)
(Loss)/profit for the year	<u>(228,535)</u>	<u>130,578</u>
At 30 September	<u>(489,700)</u>	<u>(261,165)</u>

33. Segment information**33.1 Operating segments**

The Company has two reportable business segments, summarised as follows:

Pharmaceutical Products Group: This includes the marketing and sales of the Company's branded products and the products under the consumer product group.

Animal Health Products Group: This includes the marketing and sales of poultry and large animal range of anthelmintics as well as production enhancing medicaments.

Pharmaceuticals	1,578,337	1,968,317
Animal health	<u>50,058</u>	<u>48,205</u>
	<u>1,628,395</u>	<u>2,016,522</u>

33.2 Geographical segment

The Company operates to two geographical regions namely Nigeria and Ghana.

Nigeria	1,610,686	1,988,106
Ghana	<u>17,709</u>	<u>28,416</u>
	<u>1,628,395</u>	<u>2,016,522</u>

The reported revenue for animal health segment does not constitute up to 10% of the total turnover, hence it was not separated for direct cost allocation in order to determine the gross profit.

There is no disclosure of depreciation, amortisation and assets per business segment because the assets of the Company are not directly related to a particular business segment.



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	2014 N'000	2013 N'000
34. Marketing and distribution expenses		
Employee cost	129,608	134,504
Transport and travelling	79,356	117,971
Advert and promotions	49,427	77,991
Depreciation	51,509	51,168
Printing and stationery	1,700	1,469
Rent and rate	2,133	1,305
Product registration expenses	7,871	2,295
Training and seminar	2,841	5,354
Medical expenses	374	1,454
Energy cost	2,377	4,560
Repairs and maintenance	3,033	762
Telephone and postages	1,916	2,258
Others	12,625	14,680
	<u>344,770</u>	<u>415,771</u>
35. Administration expenses		
Employee costs	130,003	98,039
Impairment allowance	153,524	154,688
Bad debts written off	98,612	-
Corporate expenses	26,732	69,036
Transport and travelling	19,563	31,277
Legal and professional fees	18,807	15,808
Energy cost	11,345	13,344
Bank charges and commission	37,410	15,408
Insurance	21,260	10,940
Repairs and maintenance	8,408	17,206
Printing and stationery	4,451	9,342
Training and seminar	3,768	200
Medical expenses	7,566	1,904
Telephone and postages	3,243	3,082
Donation and subscription	7,480	11,879
Depreciation of property, plant and equipment	5,524	6,759
Audit fee	7,000	7,000
Others	12,823	9,426
	<u>577,519</u>	<u>475,338</u>
36. Other income		
Dividend received	1,312	848
Gain on currency translation	24,678	68,120
Gains on disposal of property, plant and equipment	199	2,606
Provision no longer required	13,845	-
	<u>40,034</u>	<u>71,574</u>
37. Finance costs		
Interest bank overdraft	54,994	28,042
Interest on debenture	8,957	16,694
Interest on lease	20,487	10,891
	<u>84,438</u>	<u>55,627</u>



FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 N'000	2013 N'000
38. Decrease/(increase) in operating assets		
Inventories	(122,117)	263,968
Trade and other receivables	(1,622,250)	(2,439,383)
Other assets	31,938	(90,022)
Due from related parties	8,229	16,230
	<u>(1,704,200)</u>	<u>(2,249,207)</u>
39. Increase/(decrease) in operating liabilities		
Trade and other payables	<u>2,034,081</u>	<u>1,928,359</u>
	<u>2,034,081</u>	<u>1,928,359</u>
40. Cash flow (used in)/generated from operations		
(Loss)/profit after taxation	<u>(228,535)</u>	<u>130,578</u>
Adjustments to reconcile (loss)/ profit to net cash operating activities:		
Depreciation of property, plant and equipment (Note 8)	78,731	78,605
Finance costs (Note 38)	84,438	55,627
Impairment of trade and other receivables	153,524	154,415
Gain on currency revaluation	(46)	(57,372)
Gain on disposal of property, plant and equipment	(199)	(2,606)
Loss on disposal of investments	4,605	-
Write back of fair value gain on investments	(12,245)	-
Reclassification from property, plant and equipment (Note 10)	-	47,291
Write back of provisions	13,845	-
Increase in current income tax liability	12,934	18,382
Increase in deferred income tax	17,428	33,175
Decrease in employee benefits	59,489	52,007
Decrease/(increase) in operating assets (Note 38)	(1,704,200)	(2,249,207)
Increase/(decrease) in operating liabilities (Note 39)	2,034,081	1,928,359
Total adjustments	<u>742,385</u>	<u>58,676</u>
Net cash from operating activities	<u>513,850</u>	<u>189,254</u>
41. Reconciliation of cash and cash equivalents		
Cash at bank	63,418	83,218
Bank overdraft	<u>(129,294)</u>	<u>(49,953)</u>
	<u>(65,876)</u>	<u>33,265</u>
42. Basic earnings per share		
Earnings per share (basic) have been computed for each year on the profit after tax attributable to ordinary shareholders and divided by the number of issued and fully paid up 0.50 kobo ordinary shares during the year.		
(Loss)/profit after taxation	<u>(228,535)</u>	<u>130,578</u>
Number of shares	<u>1,569,551</u>	<u>1,307,959</u>
(Loss)/Earnings per share (Kobo)	<u>(14.56)</u>	<u>9.98</u>



FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014	2013
	N'000	N'000
43. Information regarding directors and employees		
43.1 Directors' emoluments comprise:		
Fees:		
- Chairman	600	600
- Other Directors	4,000	3,500
Emolument of executive directors	<u>26,600</u>	<u>21,700</u>
	<u>31,200</u>	<u>25,800</u>
Highest paid director	<u>14,600</u>	<u>13,500</u>
In addition to the above, the Company provides non cash benefits to the Directors.		
43.2 Scale of directors' remuneration		
The number of directors excluding the Chairman whose expenses fell within the following ranges are:		
N	N	
Below -	2,500,000	Number
2,500,001 -	5,000,000	-
5,000,001 -	7,500,000	-
7,500,001 -	10,000,000	1
10,000,001 -	12,500,000	1
Above	12,500,001	-
		<u>2</u>
		<u>2</u>
	N'000	N'000
43.3 Personnel compensation		
Personnel compensation comprises		
Short-term employee benefits	200,122	253,590
Contribution to compulsory pension fund scheme	<u>59,489</u>	<u>47,506</u>
	<u>259,611</u>	<u>301,096</u>
43.4 The average number of persons employed during the year by category:	Number	Number
Management	52	44
Senior staff	132	156
Junior staff	<u>62</u>	<u>71</u>
	<u>246</u>	<u>271</u>
43.5 Scale of employees' remuneration		
N		
Below -	250,000	17
250,001 -	500,000	92
500,001 -	750,000	57
750,001 -	1,000,000	46
1,000,001 -	1,250,000	9
1,250,001 -	1,500,000	11
Above	1,500,001	14
		<u>246</u>
		<u>271</u>



FOR THE YEAR ENDED 30 SEPTEMBER 2014

44. Related party transaction

During the year, the Company had significant business dealings with related parties. The transaction value and balances of these business dealings are:

	Value in the year		Amount due (to)/from the Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
44.1 Worldwide Health Limited				
Some of the directors of Neimeth International Pharmaceuticals Plc are also directors of Worldwide Health Limited.				
Transactions in the year relate to the sale of Neimeth products.	-	16,203	1,648	9,877

45. Financial commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

46. Capital Commitments

The Directors are of the opinion that there were no capital commitments at 30 September 2014 (2013 - Nil).

47. Contingent Liabilities

The Company is subject to various pending litigations arising in the normal course of business. The contingent liabilities in respect of pending litigations was NIL as at 30 September 2014 (2013: N250,000) In the opinion of the Directors, based on legal advice, no material loss is expected to arise from these claims. Therefore, no provision has been made in the financial statements.

48. Events after reporting date

There were no significant events after the reporting date which would have had any material effect on the financial statements as at 30 September 2014 or require disclosure in these financial statements.



FOR THE YEAR ENDED 30 SEPTEMBER 2014				
	2014 N'000	%	2013 N'000	%
Turnover	1,628,395		2,016,522	
Other income	40,034		71,574	
	<u>1,668,429</u>		<u>2,088,096</u>	
Cost of goods and services - foreign	(1,159,649)		(881,136)	
Cost of goods and services - local	(296,871)		(591,399)	
	<u>211,909</u>	<u>100</u>	<u>615,561</u>	<u>100</u>
Value added				
Applied as follows:				
To pay employees:				
Salaries wages and other staff costs	259,611	123	301,096	50
To providers of capital:				
Finance charges	84,438	40	55,627	9
To pay Government:				
Company income tax	12,934	6	18,382	3
To provide for assets replacement:				
Depreciation of property, plant and equipment	66,033	31	76,703	12
Retained for future expansion:				
- Deferred taxation	17,428	8	33,175	5
- Sustained (loss)/retained profit on ordinary activities	(228,535)	(108)	130,578	21
	<u>211,909</u>	<u>100</u>	<u>615,561</u>	<u>100</u>
Value added				

Value added represents the additional wealth, the group has been able to create by its own and its employees' efforts. This statement shows the allocation of wealth among employees, providers of capital government and that retained for future creation of more wealth.



30 SEPTEMBER

	I F R S				NGAAP
	2014 N'000	2013 N'000	2012 N'000	2011 N'000	2010 N'000
Statement of financial position					
Property, plant and equipment	344,624	337,269	343,791	236,491	342,819
Assets under finance lease	182,094	55,153	58,857	73,651	47,684
Capital work in progress	15,258	33,623	66,599	163,189	-
Investment	-	-	-	-	76,757
Deferred taxation assets	-	-	28,154	2,215	-
Deposit for shares	24,515	24,515	24,515	24,515	24,515
Available for sale assets	-	55,629	34,527	43,198	-
Net current assets	1,169,174	1,465,385	1,242,599	1,197,385	1,031,902
Non current liabilities	(105,236)	(191,365)	(216,749)	(288,001)	(572,937)
Net assets	1,630,429	1,780,209	1,582,293	1,452,643	950,740
Equity and reserves					
Share capital	784,776	653,980	653,980	410,788	410,788
Deposit for shares	137,420	46,420	-	437,139	-
Share premium reserve	1,197,933	1,197,933	1,328,729	894,961	894,961
Bonus issue reserve	-	130,796	-	-	-
Fair value reserve	-	12,245	(8,673)	-	-
Retained earnings	(489,700)	(261,165)	(391,743)	(290,245)	(355,009)
Total equity	1,630,429	1,780,209	1,582,293	1,452,643	950,740

	Year ended 30-Sep-2014 N'000	Year ended 30-Sep-2013 N'000	18 months ended 30-Sep-2012 N'000	Year ended 31-Mar-2011 N'000	Year ended 31-Mar-2010 N'000
--	---------------------------------------	---------------------------------------	--	---------------------------------------	---------------------------------------

Statement of Comprehensive Income

Turnover	1,628,395	2,016,522	2,330,203	1,898,501	1,890,731
(Loss)/profit before tax	(198,173)	182,135	(78,140)	123,436	(105,930)
Taxation	(30,362)	(51,556)	18,204	(10,359)	(8,338)
(Loss)/profit for the year	(228,535)	130,578	(59,936)	113,077	(114,268)
Other comprehensive income/(loss) for the year	-	20,918	(8,673)	-	-
Total comprehensive (loss)/income for the year	(228,535)	151,497	(68,609)	113,077	(114,268)
Per share data:					
(Loss)/earnings per share (kobo) - Basic	(15)	10	(5)	14	(14)
Net assets per ordinary share (kobo)	104	136	121	111	116

(Loss)/profit per share are based on the (loss)/profit after tax and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

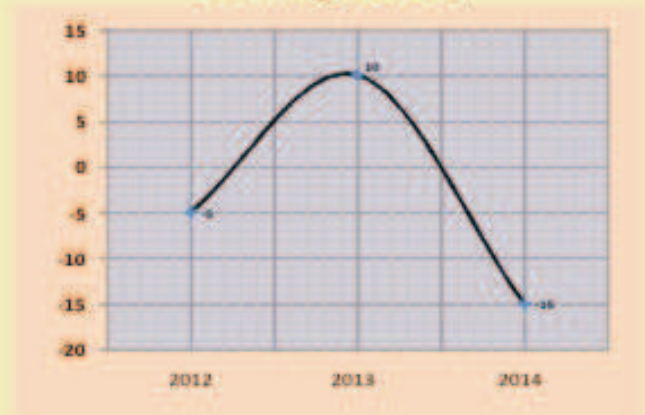
Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.



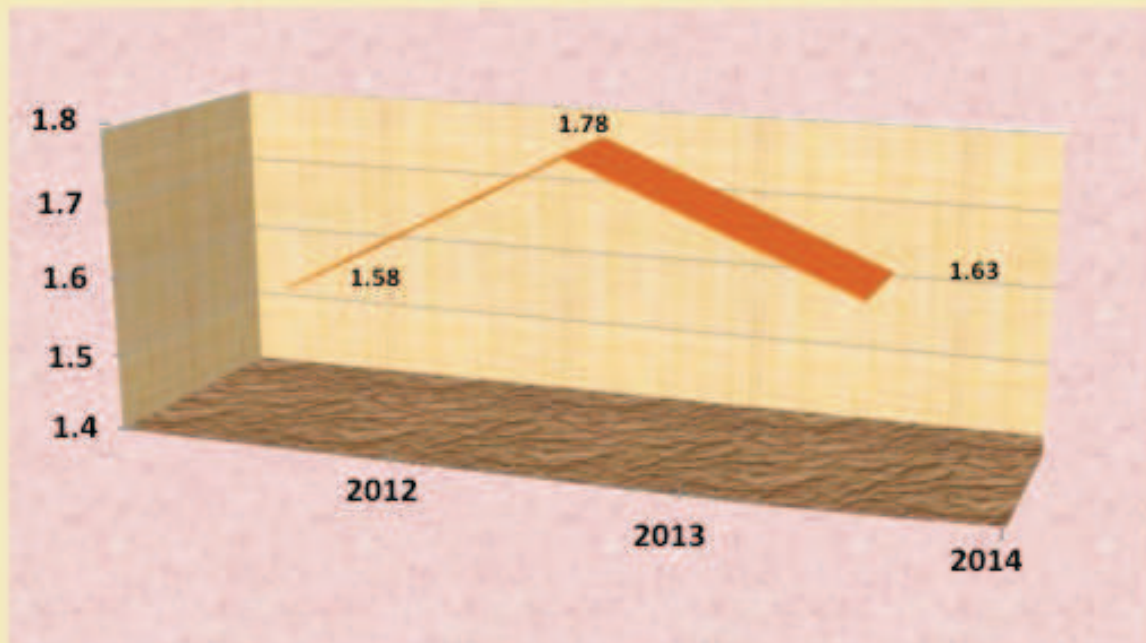
Profit Before Tax (N'm)



Earnings (Kobo)



Shareholders' Funds (N'b)



UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Members are hereby informed that since Pfizer Products Plc became a Public Quoted Company, and subsequent Management Buy Out by Neimeth International Pharmaceuticals Plc, 30 Dividends had been declared and Five (5) bonus certificates had been issued.

The current Twelve years share Certificates and Dividend declared are stated as follows:

A. DIVIDEND ISSUED

Dividend No.	Date Declared
18	30-11-1994
19	31-05-1995
20	30-11-1996
21	30-11-1997
22	30-11-1998
23	30-09-2002
24	31-03-2003
25	31-03-2004
26	31-03-2005
27	31-10-2006
29	10-09-2008
30	27-09-2011

B. CERTIFICATES ISSUED

No.	Certificate Type	Date Issued
01	Bonus Issue	1998
02	Public Issue	1999
03	Right Issue	1999
04	Bonus Issue	2002
05	Bonus Issue	2005
06	Public Issue	2006
07	Bonus Issue	2008
08	Right Issue	2011
09	Bonus Issue	2014

At the moment, the unclaimed accounts show that some dividend warrants have not been presented to the Banks for payment. A number of share certificates have also been returned to the Registrar as unclaimed.

This notice, therefore, serves to remind shareholders, in their own interest, to contact the address below for any unclaimed or unpaid dividends and/or any unclaimed share certificates.

The Registrar

Meristem Registrars Limited
213 Hebert Macaulay Way
Adekunle - Yaba,
Lagos.
Tel: 01-8920491 - 2, 2702361
E-mail: infor@meristemregistrars.com

The Company Secretary

Neimeth Int'l Pharm. Plc.
No. 1, Henry Carr Street
Ikeja
Lagos.
Tel: 08158422346, 08159491935
E-mail: info@neimethplc.com.ng



YEAR	AUTHORIZED		ISSUED AND PAID UP		CONSIDERATION
	₦ CHANGE	₦ CUMMULATIVE	₦ CHANGE	₦ CUMMULATIVE	
Aug 57	50,000	50,000	4	4	Cash
Sep 57	-	50,000	6,996	7,000	Cash
1965	950,000	1,000,000	0	0	-
1966	-	1,000,000	303,192	310,192	Cash
1971	-	1,000,000	52,638	362,830	Bonus
1973	-	1,000,000	615,000	977,830	Cash
Mar 77	-	1,000,000	0	0	-
Jul 77	-	1,000,000	488,914	1,466,744	Bonus
Sep 77	Nomin value Changed to 50k p/share	4,000,000	0	0	-
Apr 78	-	4,000,000	783,256	2,250,000	Bonus
Nov 78	-	4,000,000	1,500,000	3,750,000	New Issue
1980	1,000,000	5,000,000	937,500	4,687,500	Bonus
1981	3,000,000	8,000,000	937,500	5,625,000	Bonus
1983	-	8,000,000	1,406,250	7,031,250	Bonus
1985	4,000,000	12,000,000	1,406,250	8,437,500	Bonus
1987	-	12,000,000	2,109,375	10,546,875	Bonus
Jan 92	38,000,000	50,000,000	0	10,546,875	-
Jul 92	-	50,000,000	21,094,000	31,640,875	Rights Issue
Apr 99	-	50,000,000	7,910,218	39,551,093	Bonus
Apr 99	75,000,000	125,000,000	16,737,163	56,288,256	Right/Public Offer
2001	-	125,000,000	228,540	56,516,796	Cash
2002	-	125,000,000	350,000	56,866,796	Cash
Sep 03	-	125,000,000	11,373,359	68,240,155	Bonus
Sep 03	-	125,000,000	1,298,261	69,538,416	Cash
2004	-	125,000,000	12,565,429	82,103,845	Cash
Jul 05	-	125,000,000	10,421,000	92,524,845	Cash
Jul 05	-	125,000,000	18,504,800	111,029,645	Bonus
Sep 05	625,000,000	750,000,000	-	-	-
Mar 06	-	750,000,000	217,600,713	328,630,358	Cash
Sept 08	-	750,000,000	82,158,000	410,788,358	Bonus
Oct 2011	250,000,000	1,000,000,000	486,382,724	653,979,720	Rights Issue
Mar 2014	-	1,000,000,000	130,795,944	784,775,664	Bonus



Annual General Meeting to be held at 11:00 a.m. on 24th March, 2015 at the Orammiyan Hall, Lagos Airport Hotel, 111 Awolowo Way, Ikeja, Lagos

I/We _____

of _____

being a member /members of NEIMETH INTERNATIONAL PHARMACEUTICALS PLC hereby appoint**

or failing him, the Chairman of the meeting as my /our Proxy to vote on my behalf at the Annual General Meeting of the Company to be held on 24th March, 2015 and at any adjournment thereof.

Dated this Day 2015

Shareholder's Signature:

		NUMBER OF SHARE	
RESOLUTION		FOR	AGAINST
1.	Receive the Report of the Directors, the Statement of Financial Position as at September 30th, 2014, together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.		
2.	Re-elect Directors i. Sir Ike Onyechi ii. Prof. Maurice M. Iwu iii. Mr. Thomas T. Osobu		
3.	Approve the remuneration of Directors		
4.	Authorize the Directors to fix the remuneration of The Auditors for the ensuing Financial year.		
5.	Elect member of the Audit Committee		

Before posting the above card, please tear off this and retain it.



SERIAL NUMBER

NUMBER OF SHARES

ADMISSION CARD

Annual General meeting to be held at 11:00 a.m. on 24th March, 2015 at Orammiyan Hall, Lagos Airport Hotel, 111 Awolowo Way, Ikeja, Lagos.

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote on a poll by proxy. The above card has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the meeting.

Following the normal practice, the Chairman of the meeting has been entered on the card to ensure that someone will be in the meeting to act as proxy, but if you wish, you may insert in the blank space on the card (marked**) the name of any person. Whether a member of the Company or not, who will attend and vote on your behalf instead.

Please sign the above proxy and post it to reach the address on the other side not later than 11:00 a.m. on 24th March, 2015. The company will have a NSO Stamp endorsed by the Commissioner for Stamp Duties in the space provided above. If executed by a Corporation, the Proxy Card should be sealed with the Common Seal.

IMPORTANT

- a. The name of the Shareholder must be written in BLOCK CAPITALS on the proxy card where marked*.
- b. This Admission Card must be produced by the shareholder or his proxy.
- c. Shareholders or their proxies are requested to sign the admission card before attending the meeting.

Signature of person attending

Application Form

for e-bonus & e-dividend

Neimeth International Pharmaceuticals Plc
(RC:1557)

Dear Shareholder(s)

SHAREHOLDER'S DATA UPDATE

In our quest to update shareholders' data with the current market requirement (i.e.) e-bonus & e-dividend, we require you to complete this form with the following information:

Tel. Nos:..... CSCS A/C NO. STOCK BROKING FIRM:.....

E-mail Add: Name of Bank

Branch of Bank: Bank A/C No. Branch Code.....

No. of Units held

NAME OF SHAREHOLDER/CORPORATE SHAREHOLDER.....

PRESENT/NEW ADDRESS.....
.....
.....

NAME OF COMPANY IN WHICH YOU HAVE SHARES

REGISTRAR'S USE
NAME.....
SIGNATURE.....
USE

Please notify our Registrars, Meristem Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

Note: Please be informed that by filling and sending this form to our Registrar, Meristem Registrars Limited for processing, you have applied for the e-Dividend and e-Bonus; thereby, authorizing **NEIMETH INTERNATIONAL PHARMACEUTICALS PLC** to credit your account (in respect of dividends and bonuses) electronically.

PLEASE COMPLETE AND RETURN TO
Meristem Registrars Limited
213, Herbert Maculay Way
Yaba, Lagos.

2 0 1 5

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

--

In case of Corporate Shareholder, use company seal.

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

NEIMETH VET. PRODUCTS RANGE.



Neimycin

Chick formula: A combination of broad spectrum antibiotics and a concentration of essential vitamins for optimal chick performance.

- Reduces chick mortality
- Improves appetite & promotes growth
- Reducing cost by promoting feed efficiency
- Enhances weight gain

Neimycin

Egg formula: A combination of broad spectrum antibiotics and essential vitamins for improved egg production.

- Improves fertility of breeder stock
- Increases egg production up to 18%
- Reduces mortality in laying birds
- Extends period of egg production
- Increases egg shell strength thus reducing breakage

Differentiating, Transforming, Showing Innovation in local research, Building on over 50 years of expertise and experience in Nigeria.



27 Unique uses and still counting...



...still the effective worm expeller for the whole family



...healthy mother, healthier baby



1st Natural Nutritional Supplement in the Management of sickle cell disorder

Ciktavi: differentiates us, local content, global product



...dissolves fast, so relieves fast



...the complete stress buster



QMS-ISO 9001:2008
Certificate No:0000296



EMS-ISO 14001:2004
Certificate No:4024

**One Company!
Great Brands!!
Great Future!!!**



Neimeth Malaria Terminator

NimARTEM[®]

Artemether 20mg + Lumefantrine 120mg



ONE REASON FOR NIGERIANS TO PREFER NimARTEM

Neimeth brand of ACT

NimARTEM

This is a National Breakthrough from formulation standpoint. Almost all other ACTS are formulated and produced offshore.

NimARTEM is locally manufactured in Nigeria unlike other ACTS. This guarantees continuous supply and will not allow for any vacuum, discourage fakes, and also create jobs for Nigerians at this time.

The dosage is graphically expressed on the pack. This allows for compliance and best clinical outcomes



NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

...still the trusted name in family medicines



THINGS TO DO TODAY

- ✓ Catch a flight
- Management Meeting
- Family Matters
- Meet Deadline
- Call Bank Manager
- Meeting with the client
- Meet with doctor
- Attend Business Seminar
- Prepare accounts

Give **Stress** the **Final Dose**

take
**Homtamin G
Capsules**

*Korean Ginseng Extract,
Multivitamins, Minerals and Aloe Vera*



**1
CAPSULE
DAILY**

- BOOSTS VITALITY AND STAMINA
- INCREASES BODY'S RESISTANCE TO STRESS
- SEXUAL REJUVENATOR
- SOOTHES THE NERVES FOR NORMAL CO-ORDINATION
- RELIEVES MENOPAUSAL SYMPTOMS



...the complete stress buster!



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