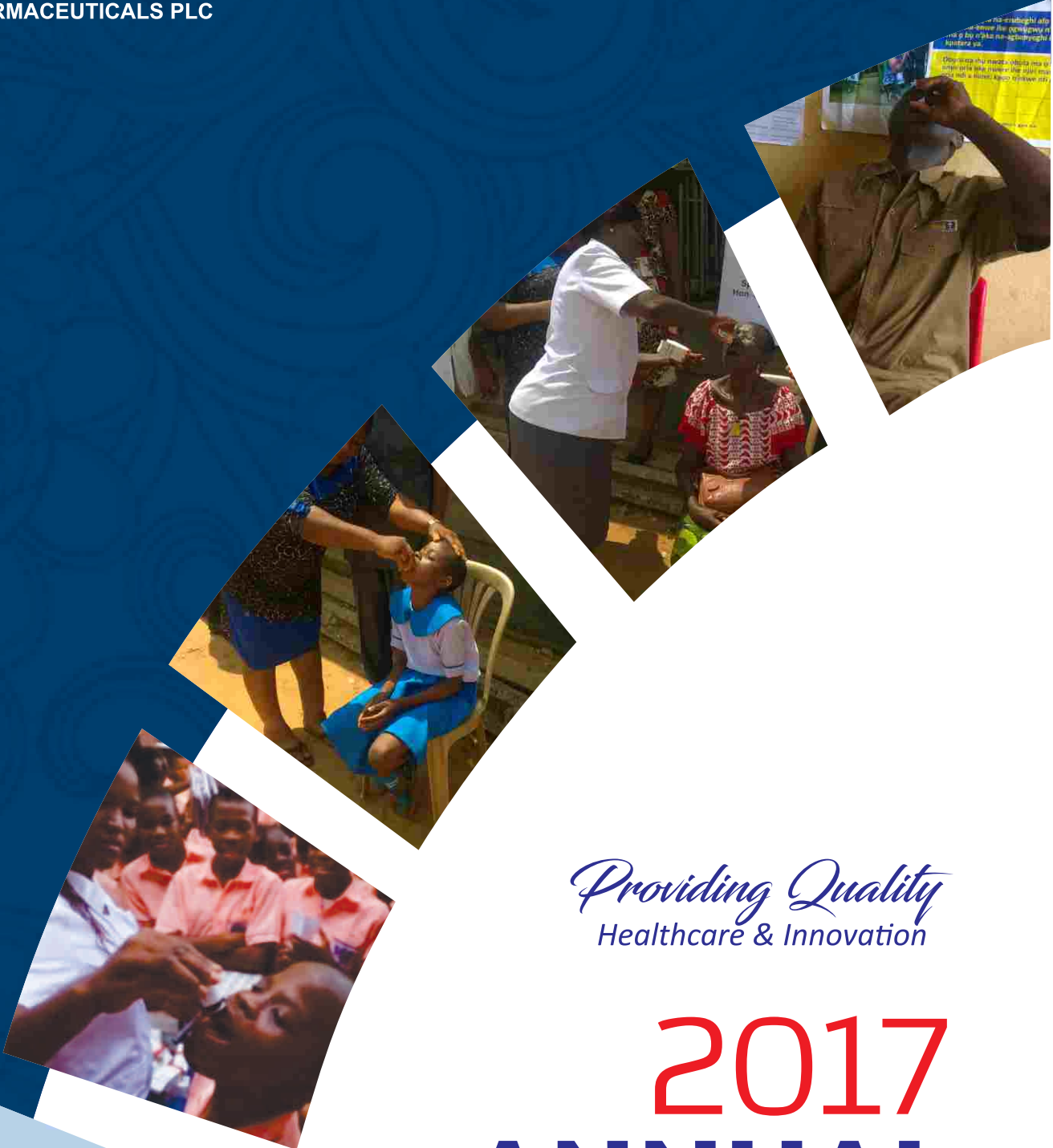


NEIMETH INTERNATIONAL
PHARMACEUTICALS PLC



Providing Quality
Healthcare & Innovation

2017

ANNUAL

REPORT AND ACCOUNTS



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.



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.

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1

1 Mr. A.B.C Orjiako – Chairman

Dr. A. B. C. Orjiako became Chairman of the Board of Directors of Neimeth on the 1st of February, 2005, having become a member of the Board in February, 2004. A medical doctor and Fellow, West African College of Surgeons, he has various business interests including Energy, Petroleum Exploration, Marine Services, Construction and Real Estate. He is Chairman of SEPLAT, amongst several other high net worth companies and organizations where he is and has been Chairman and President. He is the recipient of several prestigious awards, and is an accomplished agricultural and educational philanthropist.



2

3 Mazi Sam Oluwabunwa (OFR)

Having led the MBO of Pfizer in 1997, Mazi Sam Oluwabunwa is the founding MD/CEO of Neimeth Int'l Pharm Plc. He is a graduate of Pharmacy from the University of IFE. He had his Postgraduate training in Business and Organizational Management at the Columbia University, N.Y., USA and the Lagos Business School, Lagos.

Mazi Oluwabunwa is a fellow of several Professional Organizations, amongst which are the Pharmaceutical Society of Nigeria (FPSN), the Nigerian academy of Pharmacy (FNA.Pharm), the West African Postgraduate College of Pharmacists (FPC.Pharm), the Nigerian Institute of Management (FNIM), the Nigerian Institute of Public Relations (FNIPR), and the Institute of Management Consultants (FIMC).

He is founder/Chairman, Sam Oluwabunwa Foundation for Economic Empowerment (SOFEE), Managing Consultant of Starteam Consult, Past President Nigeria-America Chamber of Commerce (NACO), Past President Nigerian Employers Consultative Association (NECA) and Past chairman of the Nigeria Economic Summit Group (NESG). He is the Chairman of the African Centre for Business development, Strategy and Development as well as several other prestigious organizations.

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 notable companies and organizations.

4 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 reputable companies and establishments.

5 Prof. Maurice M. Iwu

He was invited on 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 founder and Chairman of Bioresources Development and Conservation Programme (BDCP) an Independent Biosciences Research and Development Organization; and International Centre for Ethnomedicine and drug development (InterCEDD). 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.

**2 Mr. Christopher U. Mmeje
AG. MD/CEO**

Mr. Mmeje was appointed as Executive Director – Finance on 25th February, 2008 and currently Acting Managing Director/CEO effective September 2017. He is an accomplished Accountant and Chartered Banker with over 30 years senior management experience in Banking, Manufacturing and Hospitality. He was Managing Director/CEO of Island Bank, Sao Tome, Sao Tome and Principe. Prior to that he was deputy General Manager at Hallmark Bank with Credit & Treasury portfolios at various times.



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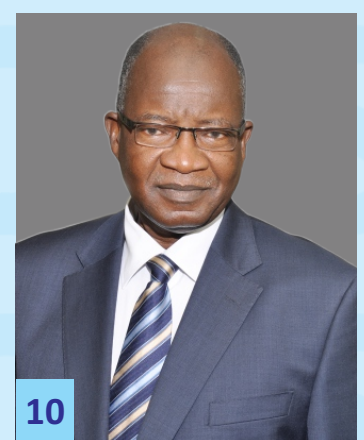
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6

Mrs. Roseline A. Oputa

Mrs. Oputa MPSN obtained her Bachelor of Pharmacy Degree from the University of Nigeria Nsukka in 1990. She joined the Company in 1992 as Pharmaceutical Sales Representative and has held various positions such as Manager Sales Training and Customer Satisfaction, National Demand Manager, Group Product Manager, Marketing Manager, Associate Director/Head of Ethical Product Group (EPG), Director of Administration and Corporate Programmes.

She joined the Board of Directors as an Executive Director of Neimeth International Pharmaceutical on the 20th October, 2017. Prior to her appointment, she served as operational Director of Sales/Marketing.

7

Mr. Adekola A. Balogun

He was invited on the Board on the 24th of February, 2004. Kola brings his vast sales/marketing experience of pharmaceuticals, spanning over 35 years to the board. He is a registered pharmacist and successful entrepreneur.

Kola is Chairman Board of directors of four fast growing Nigeria companies and a board member of several others. He is an alumnus of University of Ife, now Obafemi Awolowo University, Ile-Ife and Chartered Institute of Marketing, Cookham, England.

His business interests include trading, construction and property development.

8

Engr. Godwin E. Omene

He was invited on 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 both Chairman and 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.

9

Mr. Thomas T. Osobu

He was invited on 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.

10

Prof. Elijah N. Sokomba

He was invited to the Board on the 25th February 2008. Elijah is an accomplished Pharmacist, Professor of Pharmacology, and former dean, faculty of Pharmaceutical sciences, University of Jos, who has garnered considerable experience in Research/Teaching, University administration, State Health Service Management and NAFDAC where he was a former Director.





DIRECTORS:

Dr. A. B. C. Orjiako	Chairman
Mrs. E. Igboko Ekpunobi	MD/CEO – Resigned 11/09/2017
Mr. C. U. Mmeje	Ag. MD/CEO
Mrs. R. A Oputa	Executive – Appointed 20/10/17
Mazi S. I. Ohuabunwa	Non-Executive
Mr. A. O. Balogun	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:

16, Akanni Doherty Layout (Billings Way)
Oregon Industrial Estate Oregon.
Telephone: 08158422346, 08033128663
E-mail: info@neimethplc.com.ng
Website: www.neimethplc.com.ng.

AUDITORS:

PKF Professional Services
PKF House, 205A Ikorodu Road Obanikoro, Lagos.
018042074, 017734940, 017748366

REGISTRARS:

Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way, Adekunle – Yaba, Lagos.
Telephone Nos: 01-8920491 – 2
E-mail: info@meristemregistrars.com

LEGAL ADVISER/

SOLICITOR:

Chris O. Omolabi, LL.B, BL(HONS) LL.M
10, Adetokunbo Ademola Street, Victoria Island, Lagos
E-mail: dec8_2000@yahoo.com
Telephone: 08033063829

BANKERS:

Diamond Bank Plc
Guaranty Trust Bank Plc



MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS:

	Year ended 30-Sept-17 N'000	Year ended 30-Sept-16 N'000	% Change
Turnover	1,534,003	2,001,815	(23)
Profit/(Loss) before taxation	(404,920)	95,361	(525)
Profit/(Loss) after taxation	(411,484)	65,093	(732)
Share Capital	863,254	784,776	-
Shareholders' funds	805,368	1,222,418	(22)
Per Share Data:			
Earnings per share (Kobo) (Basic)	(24)	4	
Dividend per share (Kobo)	-	-	
Net assets per share (Kobo)	47	78	
Number of employees	183	188	
Market price as at 30 th September	0.68	0.90	



NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of the members of **NEIMETH INTERNATIONAL PHARMACEUTICALS PLC.** will be held at NECA House, Plot A2, Hakeem Balogun Street, Central Business District, Alausa, Ikeja, Lagos on Tuesday, 27th March, 2018 at 11.00 a.m. in the forenoon to transact the following businesses:

ORDINARY BUSINESS:

1. Receive the Report of the Directors, Statement of Financial Position as at September 30th, 2017 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. Ratification of the appointment/Re-election of 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 16, Akanni Doherty Layout (Billings Way), Oregon Industrial Estate, Oregon or The Registrar, Meristem Registrars and Probate Services 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, 21th March, 2018 and re-open on Monday, 26th March, 2018 for the purpose of updating the records.

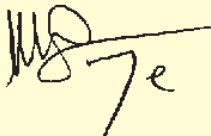
3. AUDIT

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.

4. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' holders have a right to ask questions not only at the meeting but also in writing prior to the meeting and the date prior to the meeting by which such questions must be submitted to the Issuer.

Dated this 19th February, 2018



F. I. ONYENEKWE (MRS.)

Company Secretary
FRC/2014/ICAN/00000010082
Registered Office
16, Akanni Doherty Layout (Billings Way),
Oregon Industrial Estate.
Oregon



Distinguished Shareholders, Members of the Board, our esteemed customers and staff, invited guests, gentlemen of the press, Ladies and Gentlemen, I have the pleasure to welcome you to the 59th Annual General Meeting of our company, Neimeth, to consider the report and result for the period ended September 2017.

OPERATING ENVIRONMENT- THE GLOBAL ECONOMY:

The world economy in 2017 sprouted a few oasis of economic recovery; yet insufficient to provide the momentum necessary for general upliftment. In the fore front of the trend is the Chinese economy with GDP growth of 6.9%. Although this was better than official estimate of 6.5%, it nonetheless did not have the locomotive strength to pull its dependent economies along the track of growth. At the western end, the United States of America's economy grew its GDP by 2.5%; a better showing than the 1.6% growth of 2016, it was nonetheless short of the 3% projected by the US government. In any case, given the insular disposition of the Trump Administration in USA, its economic growth was destined to have minimal impact on other economies. The euro zone economy still mired in its Brexit negotiations and realignments, is the least candidate to act as the Hercules of world economic recovery.

Oil price continued its two year recovery with attendant sunshine impact on the budget of commodity nations such as Nigeria. Notwithstanding, the long term sustainability of this price recovery was in doubt through 2017. The best use of the improved revenue even for our nation as beneficiary country remained contentious. Commencing with price of about \$54 per barrel early in the year, oil price snaked slowly through the year at a pace almost \$1 a month to reach approximately \$66 a barrel by end of 2017. This price, when compared with the lowest of approximately \$26 it reached in January 2016, represents remarkable recovery. It is however when base economic activities (production of goods and



“Nations cannot find the fruits of economic progress in the midst of a world full of animosity”

services) are growing worldwide that sustained growth in oil price can be assured. It is doubtful whether this condition currently exists in the world economy.

We must continue to underline the fact that at the heart of the unresolved economic turbulence of the last decade is the animus that continued to manifest itself either in religious flavor, racial hatred or political populism. Nations cannot find the fruits of economic progress in the midst of a world full of animosity. In the Middle East age old conflict and new ones continued unabated. The World's Conflict Resolution Mechanisms remained docile. In Asia, North Korea has lighted a new flame threatening to consume parts of humanity with instruments that had little to do with economic production and prosperity. India and China nearly shot at each other at the foot of the Himalayas over access across inconsequential piece of the earth. The common failure is that of the world leadership in not devoting sufficient



focus and energy on creating world peace as a basis for shared economic wellness and prosperity

NATIONAL OUTLOOK

Buoyed by improved crude oil price Nigeria's economy at the end of quarter 2, 2017 exited recession in which it slumped in 2016. Annual GDP growth rate etched up to 1.4% while inflation rate moderated to below 16%. The multiple access channels for foreign exchange designed by the Central Bank of Nigeria contributed to easing external trade especially in importing critical production inputs. Industries could not but be grateful for these improvements. The USD/Naira exchange parity has generally stabilized at N325/USD, N340/50 to a dollar and N365/USD depending on the access window one chooses to go through. Some windows provide trickles against request while others may be more assured at higher cost.

The deficits in strategic development areas of transportation and energy remains enduring debilitating condition that hinders production of primary goods and services in the country. These frustrating conditions continue to create unfavorable condition for local goods and services in competing with their imported counterparts. In a world homogenized by internet access and drone delivery systems, our national economic planners must pay attention to the challenges of creating comprehensive infrastructural renewal program that will situate our domestic production on the same par with their counterparts from elsewhere.

Mirroring the international condition, the outcome of our national effort for sustainable economic growth will remain sub optimal in the face of resurgent and diffused security challenges of herdsmen/farmers' conflict, kidnaping and the continuing Boko Haram insurgencies. In an ensuing election year economic actors are likely to be on edge without political determination that consider the above indices of anomie as impediments to national economic welfare and prosperity.

THE COMPANY:

Neimeth in 2017 bumped on misfortune at its production plant in Oregon. In the night of 7th March, 2017 the raw materials warehouse of the company was burnt. Although the gallant intervention of the Lagos State Government Fire Service saved the entire plant from being razed, the raw materials in the warehouse was completely burnt by the time the fire was contained.

While grappling with the aftermath of this tragic event, our erstwhile Managing Director – Ebere Igboko Ekpunobi (Ph.D) suffered severe sporting accident on 18th May, 2017 and had to be hospitalized abroad for extended period and ultimately resigned as a consequence. The Board took a number of measures to ensure that the company overcame what would otherwise had crippled its operations. Working with management, we mobilized resources to bring in urgently needed production input to sustain operations and obviate the cannibalization of our products' market share by competition. This quick action by the Board enabled the company to reach a sales level that was able to absorb all its annual operating cost. The loss that is reported in the current financial reports arose essentially from the fire incident. In continuation of the restructuring of management, the Board appointed the company's Finance Director Mr. Chris. U. Mmeje as the Acting Managing Director. Mr. Chris Mmeje a former banker with over 25years prior cognate experience in senior management had been with the company and on the Board since 2008. In addition, Pharm. (Mrs) Roseline A. Oputa was elevated from the position of operational director to Executive Director and a member of the Board with responsibility for sales and marketing. Mrs. Oputa joined the company in 1992 as a Sales Rep. and rose through the ranks to her penultimate position of Director of Sales and Marketing. The Board also took the strategic decision of moving all its personnel from its former head office at No. 1, Henry Carr, Ikeja to its manufacturing plant at No. 16 Billings way (Akanni Doherty) Oregon. The primary reason for this action is to drastically reduce



“In a world homogenized by internet access and drone delivery systems, our national economic planners must pay attention to the challenges of creating comprehensive infrastructural renewal program that will situate our domestic production on the same par with their counterparts from elsewhere.”

the overhead cost of running the company, provide more hands-on supervision and control of the manufacturing and selling process.

Notwithstanding the temporary set back, your board still remained committed to the plant's physical restructuring to meet the requirements of cGMP – current Good Manufacturing Practice as well as intensifying research effort as outlined in its strategic vision. Work on the presentation to the regulatory agency – NAFDAC of the clinical trials for our product – **Ciklavit** which was stalled by the two unfortunate incidents mentioned above has resumed in earnest and is progressing satisfactorily. In the same vein reporting of the clinical studies on our antihypertensive – **Miniplus** is also progressing concurrently with that of **Ciklavit**.

REBUILDING:

As I earlier intimated you of the fire incident that consumed the company's raw materials warehouse, management has commenced reconstruction of the damaged warehouse as part of its general upgrade of our facilities. Our work in restoring that segment of our facility when combined with a number of other internal restructuring currently taking place within the plant will yield a more modern plant that will surpass our nation's regulatory requirements.

RESULT:

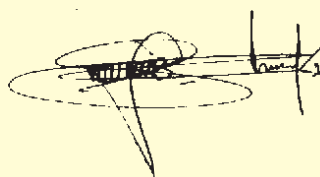
Our 2017 operations produced top line revenue of N1.5b which was less than N2b of the previous year by 23% - a decline attributable directly to the fire incident that robbed the company of almost three months sales activities. With raw materials and assets of N513m lost to the fire, the company recorded a loss before tax of N405m. In such a year of tragedy, I regret the inability of the company to pay dividend. The Board is however re-assured of a better future arising from the actions it had taken.

CONCLUSION:

On behalf of the Board of Directors of Neimeth Int'l Pharms Plc, may I take this opportunity to express our gratitude to various agencies of government whose intervention saved our plant from complete ruin as a result of the incident of March 7, 2017. These include the Lagos State Fire Service, Lagos State Emergency Management Agency, the Nigerian Police Force and the Lagos State Safety Commission. We make this formal commendation because as a nation we are often liberal in pointing out our short comings but can be reticent in gratitude. The fire incident that befell our factory on 7th March, 2017 would have written the requiem of this company but for the intervention of these agencies. 2018 is penultimate year to major election in Nigeria. It is with the hope that we as a nation would be able to manage our differences and peace will be our trophy that the Board re-assures our shareholders of the future of this company. The major challenges that faced it are already fizzling out and the pillars of its prosperity are firmly being rooted.

I wish to thank my colleagues on the Board for their tenacity and willingness to make sacrifices even at very difficult moments. To our staff, management and great shareholders that pulled us through the difficult year of 2017, I am full of gratitude. Finally, we thank the Almighty God for his mercies which saw our plant still standing.

Thank You.



DR. A. B. C. ORJIAKO (OFR)
Chairman, Board of Directors.





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 Session
- Prepare reports

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

take
**Homtamin G
 Capsules**

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



**1
 CAPSULE
 DAILY**



...the complete stress burster!

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



NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

...still the trusted name in family medicines

www.neimethplc.com.ng



Distinguished Shareholders, Members of the Board of Directors, our esteemed customers and staff, invited guests, gentlemen of the press, Ladies and Gentlemen, it is my pleasure to welcome you to this year's Annual General Meeting.

HEALTHCARE SECTOR:

In 2017 aggregate expenditure on pharmaceuticals was forecast at N194b according to BMI research: a Fitch Group company. This was barely 0.18% of the nations GDP. Given the importance of health, this minimal expenditure/pharmaceutical GDP ratio indicate opportunities for growth. This assertion is validated by

“Neimeth is tenacious in this sometimes frustrating effort (Research) due to our firm belief that the future belongs to the outcome of today's research.”

the fact that the N194b represents about 4.5% growth over the previous year. The pharmaceutical sector itself lacks depths being dominated by front end activities in terms of distribution and retailing. Manufacturing which should be the foundation end is bedeviled by all the known setbacks of infrastructural deficiencies, not excluding finance. Neimeth International Pharmaceuticals Plc is a leading participant in this difficult manufacturing segment and holds the gold plaque in anti-hypertensive and Antelmintics and specialty germicides.

OPERATIONS:

Our financial year that began in October 2016, was ushered in by macro economic instability that came directly from



restricted access to official foreign exchange. Substantial part of our production in-put originates externally. Hence any constrictions in foreign exchange accessibility make manufacturing difficult. Fig 1 shows over 58% increase in foreign exchange rate between October 2016 and April 2017 (just 7 months). This situation while creating wedge to production also drove away sales as the adjusted higher prices of products went beyond the reach of buyers.



THE BURNT RAW MATERIAL WAREHOUSE

Neimeth was riding this rough sea, maintaining its production plan when on 7th March, 2017 it was struck by fire tragedy at our Oregon manufacturing plant. The chairman stated this in his report. Between April and July 2017 we raised over USD1.4m (approximately N700m) to fly in various raw materials required to keep the factory running. This action that was facilitated and supported by the Board had double consequences:

- a) It enabled the company to minimize the period of loss of sales of its leading brands that face severe competition. We were only hamstrung in sales, for the months of April, May and June 2017 and were able to resume full selling activity from July 2017.

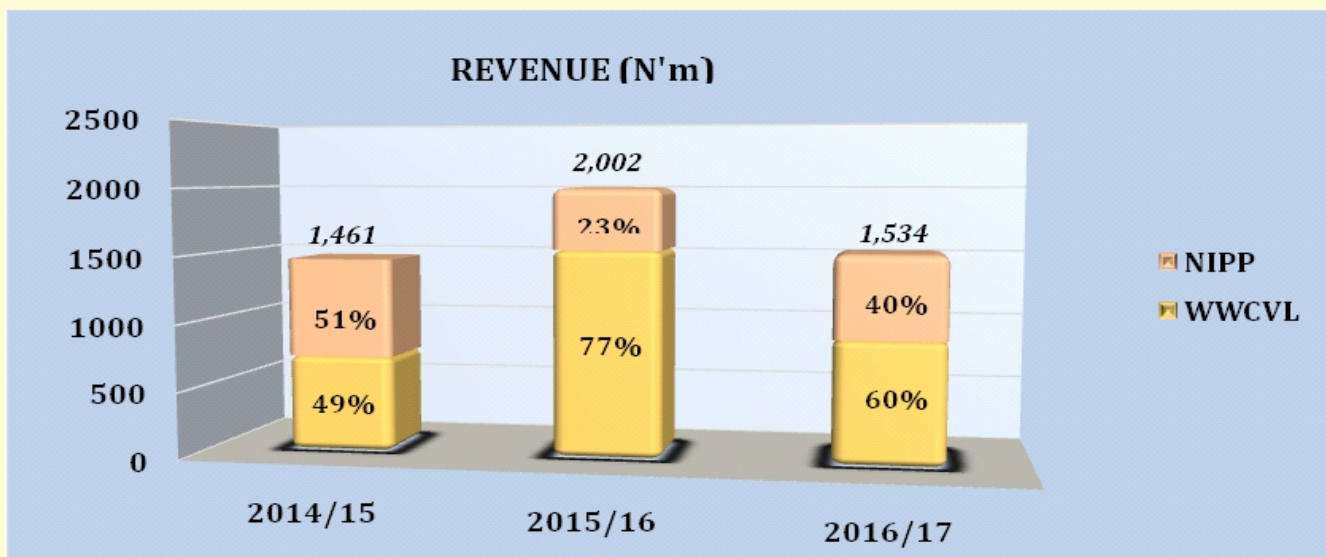


b) Contrasted with the positive in (a) above was the negative consequences of higher cost of production as a result of both the prohibitive exchange rate that ruled between March and May 2017 (up to N500 per dollar) and the higher cost of flying in the raw materials.

The support of our major selling partner Worldwide Commercial Ventures Limited(WWCVL) is hereby acknowledged and management appreciates their gesture of goodwill during that difficult time.

RESULT:

With the introduction of multiple foreign exchange access or windows by the Central Bank of Nigeria, the third party risk of sourcing for foreign exchange through non-bank entities was extinguished while predictability in composite cost of production improved. It became possible to woo back customers to buying. It was under this circumstance that the company achieved top line revenue of N1.5b for the year, out of which sales through WWCVL was N913m (60%) from nine franchised products. Neimeth made direct sales of N621m (41%). Our sales thus declined by 23% from N2b



attained in 2015/2016 financial year. The decline can be traced to the loss of sales during the three months subsequent to the fire incident. Operational loss of N82m plus N323m net loss from the fire incident resulted in the overall N405m loss before tax. It was a horrible year from which management is determined (with the Board's support) to rise as the phoenix.

Research & Development:

In addition to maintaining our strong consultancy network in the pursuit of our Research and Development vision, the company in 2017 engaged a full fledged research manager to coordinate all its in-house and external research effort. In addition to the two products specifically highlighted by the chairman in his report, we have a full pipeline of products under development as well as re-formulations under the leadership of the research manager. Neimeth is tenacious in this sometimes frustrating effort due to our firm belief that the future belongs to the outcome of today's research.

Manpower Development:

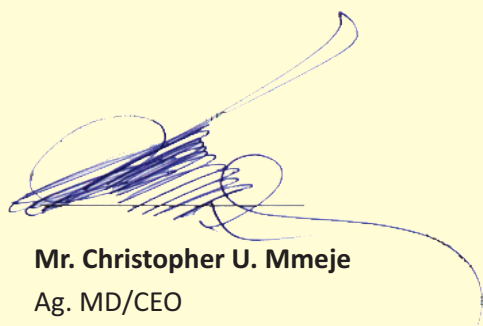
We are changing course; hence our emphasis on manpower development is an expression of where we want to take the company to. The Board has espoused this vision and management is fully driving it. Specialized training for every

“With the introduction of multiple foreign exchange access or windows by the Central Bank of Nigeria, the third party risk of sourcing for foreign exchange through non-bank entities was extinguished while predictability in composite cost of production improved. It became possible to woo back customers to buying.”

sales person was conducted in the year under review. Other areas of specialty training were in engineering and core manufacturing. This process rooted in the past 2017 is to continue into the foreseeable future.

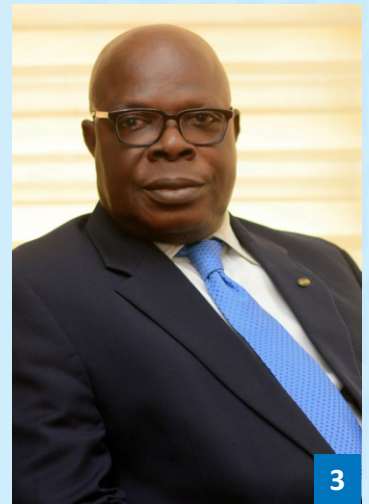
RETIRES:

Those who worked for us and retired with honour remains our ambassador for life. This attitude reflects in our conscious effort to provide them regular payout from their gratuity. In 2017, we paid a total of N13,278,527.00 which now leaves the outstanding balance in the financial report.



Mr. Christopher U. Mmeje
Ag. MD/CEO





1 Christopher U. Mmeje

2 Roseline A. Oputa

3 Isaac O. Igbanoi



4 Adekunle A. Adebowale

5 Ijezie .M. Emedosi

6 Florence I. Onyenekwe



Neimeth International Pharmaceuticals Plc. is committed to conducting its business in line with best practices and in accordance with applicable laws and regulations in Nigeria. It is this commitment to high ethical conduct that has necessitated the practice of regularly reviewing our processes in order to align them with the Code of Corporate Governance in Nigeria.

THE BOARD AND ITS COMMITTEES

The role of the Board is to provide leadership and strategic guidance for Neimeth, in addition to overseeing management's implementation of the company's strategic initiatives. The Board is accountable to security holders for the performance of Neimeth's business. In performing its role, the Board requires from Management the appropriate information concerning the business, including relevant information on risk exposures, internal controls and external developments. The Board at all times aspires to excellence in governance standards, and this requires the Board to work as a team. The board executes its mandate through regular meetings and committees. The Board has a minimum of 4 Board meetings every year.

BOARD COMPOSITION

The Company's Articles of Association provides that the Company's Board shall consist of not more than thirteen directors. During the start of the year, the Board comprised of 11 Directors, 9 of which were non-Executive and 2 Executive Directors including the Managing Director/Chief Executive Officer (MD/CEO). However, in the course of the year, the MD/CEO resigned on health grounds, and was replaced by Mr. Christopher Udaluku, Mmeje as Acting MD/CEO. Another director Sir G. N. Ohuabunwa also resigned due to his increasing commitments which could no longer avail him sufficient time to effectively attend to the matters of the Company.

The Board is headed by a non-Executive Director who provides leadership. The Non-Executive Directors are independent of Management and exercise their judgment as directors without any constraint.

All directors are selected on the basis of certain core competencies, as well as knowledge, experience, integrity, diversity, leadership, reputation and ability to understand the company's business.

THE ROLE OF THE BOARD

Specific matters reserved for 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 or corporate changes
- Periodic and regular review of actual business performance relative to established objectives.
- Oversight of company operations
- Remuneration of executive directors
- Induction and training of new directors



SEPARATION OF THE POSITION OF CHAIRMAN AND MANAGING DIRECTOR

The positions of the Chairman of the Company and the Managing Director/CEO are occupied by separate persons. The MD/CEO is responsible for the day to day running of the Company.

DISCLOSURE OF AGE

Engineer Godwin Eyarubere Omene, in compliance with S.252(1) of CAMA C.20, LFN 2004, hereby discloses to the Company that he is over 70 years of age.

BOARD CHANGES

Since the last Annual General Meeting, Sir G. N. Oluabunwa and Dr. Ebere Igboko Ekpunobi (Former MD/CEO) resigned from the board. To fill the vacancy created, Mrs Roseline Akunjeri Oputa was appointed to the Board as an Executive Director.

RECORD OF DIRECTOR'S 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.

S/No	Membership	Status	Number of Meetings Attended						
			Feb. 7 th 2017	20 th March 2016	27 th April, 2017	27 th July, 2017	18 th Sept. 2017	20 th Oct. 2017	7 th Dec. 2017
1	Dr. A.B.C. Orjiako	Chairman	✓	✓	✓	✓	✓	✓	✓
2	Ebere Igboko- Ekpunobi (Phd)	MD/CEO	✓	✓	✓				
3	Mazi S. I. Oluabunwa	Member	✓	✓	x	✓	✓	✓	✓
4	Prof. M. M. Iwu	Member	✓	✓	✓	✓	x	✓	✓
5	Mr. A. O. Balogun	Member	✓	✓	✓	✓	✓	✓	✓
6	Engr. G. E. Omene	Member	✓	✓	✓	✓	✓	✓	x
7	Mr. C. U. Mmeje	Member	✓	✓	✓	✓	✓	✓	✓
8	Prof. E. N Sokomba	Member	✓	✓	✓	✓	✓	✓	✓
9	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	✓
10	Sir I. T. Onyechi	Member	✓	✓	✓	x	✓	✓	x
11	Mrs. R. A. Oputa	Member							✓



COMMITTEES OF THE BOARD

The Board has three committees which advise it on specific issues such as strategy and business development. The Board ensures that the company's objectives are implemented through its committees constituted as shown below:

Finance/Budget/ Internal Audit Committee

S/No.	Membership	Status	Number of Meetings Attended	
			July 19 th 2017	18 th Oct. 2017
1	Engr. G. E. Omene	Chairman	✓	✓
2	Prof. E. N Sokomba	Member	✓	x
3	Mr. A. O. Balogun	Member	x	✓
4	Mr. C. U. Mmeje	Member	✓	✓

Establishment / Remuneration Committee

S/No.	Membership	Status	Number of Meetings Attended		
			Jan. 18 th 2017	June 14 th 2017	Oct. 6 th 2017
1	Mr. A. O. Balogun	Chairman	✓	✓	✓
2	Eng. G. E Omene	Member	✓	x	✓
3	Mr. Thomas T. Osobu	Member	x	✓	✓
4	Mr. Chris. Mmeje	Member	✓	✓	✓

Innovation/Research Committee

S/No.	Membership	Status	Number of Meetings Attended					
			March 20 th 2017	June 8 th 2017	June 22 nd 2017	July 26 th 2017	Oct. 23 rd 2017	Dec. 6 th 2017
1	Prof. M. M. Iwu	Chairman	✓	✓	✓	✓	✓	✓
2	Mazi S.I Oluabunwa	Member	✓	✓	✓	✓	✓	✓
3	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓
4	Sir I. T Onyechi	Member	✓	✓	✓	✓	✓	x
5	Mr. A. O Balogun	Member	✓	✓	✓	✓	✓	✓

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 2017 Annual General Meeting.



Members of the committee with meetings attended

S/No	Membership	Status	Number of meetings attended					
			March 14 th 2017	April 11 th 2017	July 18 th 2017	Sept. 26 th 2017	Oct. 19 th 2017	Dec. 5 th 2017
1	Dr. M. O Ojinka	Chairman/S.Rep	✓	✓	✓	✓	✓	✓
2	Alh. A. O Ajagun	S/holders .Rep	✓	✓	✓		X	
3	Jinadu Mustapha I.	S/holders .Rep	✓	✓	✓	✓	✓	✓
5	Engr. G. E. Omene	Director	✓	✓	✓	✓	✓	X
6	Sir T. I. Onyechi	Director	✓	✓	✓	✓	✓	✓
7.	Thomas T. Osobu	Director	✓	✓	✓	✓	✓	✓

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.

CERTIFICATION OF FINANCIAL STATEMENT BY CFO AND AUDIT COMMITTEE CHAIRMAN.

By virtue of the new rules issued by the Financial Reporting Council of Nigeria (FRCN) to give effect to the existing provisions of the FRC Act 2011:

- Persons holding the position of the CEO and CFO of an entity are required to certify the annual reports, financial statements, accounts, financial reports, returns and other documents of financial nature, indicating their FRC numbers.
- The CFO providing certification shall be a professional member of an accounting body established by an Act of National Assembly in Nigeria.
- Any person attesting as Chairman of the Audit Committee on other documents of a financial nature shall be a professional member of an accounting body established by an Act of the National Assembly of Nigeria.

The Financial Reporting Council of Nigeria granted a waiver to the Company's Finance Director and Audit Committee Chairman to sign the Audited Financial Statement for the year ended 30th September, 2017 without indicating the appropriate registration number.

CORPORATE GOVERNANCE RATING SYSTEM CERTIFICATION

In a bid to sustain our commitment to ethical business standards and good corporate governance, the Company participated in the Corporate Governance Rating System (CGRS) certification exercise, an initiative of the Nigerian Stock Exchange, in conjunction with the Convention on Business Integrity (CBI). Neimeth is one of the 35 companies that were issued the CGRS certificate by the NSE on 22/2/18 along with 5 of its directors including the chairman. Hence Neimeth emerged successful and has been able to distinguish itself as an entity with high corporate governance standards.

UNCLAIMED DIVIDEND

Total unclaimed dividend fund in the company stood at approximately N14,675,009.72 as at 30th September, 2017. Shareholders are strongly advised to contact the Company Registrar or the Company Secretary to retrieve their unclaimed dividends.





RELATIONS 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.

NEIMETH'S SECURITIES TRADING POLICY

- In accordance with Rule 14.1 of the Amendments to the Nigerian Stock Exchange Listing Rules, every Issuer shall establish a Securities Trading Policy which shall apply to all employees and directors of the company and shall be circulated to all employees that may at any time possess any inside or material information about the Issuer.
- It is pursuant to the above mentioned NSE Rule that Neimeth International Pharmaceuticals Plc.'s Securities Trading Policy is formulated.
- This Policy is designed to ensure compliance with NSE's Rule that no director, person discharging managerial responsibility or adviser of the Company and persons closely connected shall trade in the Issuer's securities during sensitive, restricted or closed periods.
- Having made specific enquiry of all our directors, they have complied with the stipulated standards regarding securities transactions by directors, as enshrined in the policy.
- This policy is available on the company's website (www.neimethplc.com.ng).

NEIMETH'S COMPLAINT MANAGEMENT POLICY

- In accordance with the Securities and Exchange Commission Rules (SEC Rules) Relating to the Companies Management Framework of the Nigerian Capital Market (the Framework) of 16th February, 2015 and the Nigerian Stock Exchange Directive (NSE Directive) (NSE/LARD/LRD/CIR6/15/04/22), every listed company is required to establish a clearly defined Complaints Management Policy to handle and resolve complaints within the scope of the Framework.
- It is pursuant to the above-mentioned SEC Rule and NSE Directive that Neimeth International Pharmaceuticals Plc. has formulated a Complaint's Management Policy.
- This Policy is designed to effectively and efficiently handle and resolve complaints in a fair, impartial, timely and objective manner.
- All Complaints should be addressed as follows:

The Company Secretary

Neimeth International Pharmaceuticals Plc.

16, Akanni Doherty Layout (Billings Way),

Oregun Industrial Estate.

Oregun

P. M. B. 21111 Ikeja, Lagos State

Telephone: +234 815 842 2346, 08033128663

E-mail: info@neimethplc.com.ng or florence.onyenekwe@neimethplc.com.ng

This Policy is available on the Company's website (www.neimethplc.com.ng)



Neimeth International Pharmaceuticals Plc (“Neimeth” or the “Company”) formerly known as Pfizer Products Plc was established in 1957. It is a resultant Company after the successful Management-Buy-Out of the 60% equity holding of Pfizer Inc New York, USA in Pfizer Products Plc. This Management-Buy-Out took place in May 1997 when Pfizer Inc in pursuit of its global repositioning strategy, divested its equity in Pfizer Products Plc in favour of the existing management.

Prior to the name change, Pfizer 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.

Neimeth has the vision to be the leading healthcare company and a leader in corporate Nigeria, through the achievement of excellence in delivering competitive and high quality products and services.

MARKETS, PRODUCTS & DISTRIBUTION

I. Markets & Products

To ensure achievement of set operational objectives and desired business growth, Neimeth current business structure is unified, adopting the traditional sales & marketing management styles. Embedded in this structure are Pharmaceutical and Veterinary business arms structured into territorial markets for ease of management and control. The Nigerian market and ECOWAS markets are thus similarly structured into districts and regions where Neimeth's products are distributed.

NIGERIAN MARKET

Our Nigerian market is made up of the (a) Pharmaceuticals business, (b) Veterinary Business and (c) Disease Prevention/Control Business

a. Pharmaceuticals business:

Under Neimeth's pharmaceutical business, it is broadly made up of (i). Ethical Products: comprising of Neimeth branded ethical products including our flagship home grown product CIKLAVIT for the management of sickle cell disease. In addition products such as Normoretic, flexodene, Tiocosid, etc and new branded generics are part of the portfolio. Also we have (ii.) Consumer Products: comprising over fifteen [15] major product groups divided into several presentations.

High volume products like NCP, Pyrantrin, Obron – 6, Homtamin G and Pancemol are included as part of consumer products portfolio. Also (iii) Disease Control Products: Neimeth will shortly commence local production of quality assured Long Lasting Insecticidal Nets (“LLINs”) (e.g. School nets, Travel nets, Military mosquito nets, and conical and rectangular nets, etc.) that meet the World Health Organisation (“WHO”) and other local regulatory



bodies' specifications and quality within Nigeria. This is as a result of Neimeth joint-venture arrangement with Landcent (China) Industrial and Development Company Limited ("Landcent") as Technical Partner.

b. Veterinary Business:

Neimeth in 1997 re-entered the lucrative Nigerian Animal Health business, which has very robust volume and profit potentials. We introduced our own brand of poultry and large animal range of anthelmintics, as well as production enhancing medicaments. We also entered into strategic alliances in key disease areas that show great business potentials. We now expect to regain a controlling market share in few years.

ECOWAS MARKET

Neimeth is firmly on ground in the Anglophone West African Countries of Ghana, Sierra Leone, Liberia and the Gambia. Our presence in the ECOWAS market is currently limited to pharmaceutical business with key products like Ciklavit, Homtamin G, NCP been registered there and are in rising demand.

Neimeth 's List of Ethical & Consumer Products

S/ N	PRODUCT NAME	NAFDAC NO.	ACTIVE INGREDIENTS	INDICATIONS
1	Amlovar Tablets 10mg	A4-0333	Amlodipine 10mg	Hypertension
2	Amlovar Tablets 5mg	A4-0332	Amlodipine 5mg	Hypertension
3	Antimal Tablet	04-1951	Sulphadoxine 500mg / Pyrimethamine 25mg	Malaria/Intermittent Preventive Therapy in Pregnancy
4	Chlorbinese X 250mg	04-7517	Chlorpropamide 250mg	Management of Diabetes Mellitus
5	Ciklavit Syrup	04-2506L	Cajanus Cajan	Nutritional Supplement
6	Flexodene Capsules 20mg	04-8470	Piroxicam 20mg	Pain Relief
8	Flucosid Capsules 50mg (Oral)	A4-0333	Fluconazole 50mg	Candidiasis



Neimeth 's List of Ethical & Consumer Products

S/N	PRODUCT NAME	NAFDAC NO.	ACTIVE INGREDIENTS	INDICATIONS
9	Gyno Tiocosid tablets (Topical)	A4-0705	Tioconazole 100mg	Vaginal Candidiasis
10	Hemafolin Capsules	04-2022	Multivitamin/Iron/Minerals	Blood Tonic
11	Hemafolin Tonic	A4-4548	Multivitamin and Iron	Blood Tonic
12	Homtamin G. Capsules	04-2555	Multivitamin Ginseng extract /Aloe Vera/	Stress Management
13	Necotrim Suspension	04-2377	Co-trimoxazole 240mg/5ml	Bacterial Infection
14	Necotrim Tablet	04-2117	Co-trimoxazole 480mg	Bacterial Infection
15	Neimelyn Cough Syrup	A4-0503	Diphenhydramine HCl	Cough
16	Normoretic Tablet	04-3817	Amiloride/ Hydrochlorothiazide	Management of Hypertension
17	Miniplus Tablet 0.5mg	04-7955	Prazosin/Hydrochlorothiazide	Anti-hypertensive
18	Norduet Tablet 5mg / 12.5mg	B4-1744	Amlodipine Besylate 5mg / Hydrochlorothiazide 12.5mg	Anti-hypertensive
19	Norduet Tablet 7.5mg / 12.5mg	B4-1745	Amlodipine Besylate 7.5mg / Hydrochlorothiazide 12.5mg	Anti-hypertensive
20	Co-Amoxiclav Tablet 625g	B4-2496	Amoxicillin + Clavulanic Acid	Antibiotic
21	Co-Amoxiclav Tablet 1g	B4-2498	Amoxicillin + Clavulanic Acid	Antibiotic
22	Co-Amoxiclav Susp(POS) 228mg/5ml	B4-2497	Amoxicillin + Clavulanic Acid	Antibiotic
23	Metris Infusion 150mg/100ml	04-7602	Metronidazole	Antiprotozoal
24	Biocip Infusion 200mg/100ml	A4-4966	Ciprofloxacin	Antibiotic



Neimeth 's List of Ethical & Consumer Products

S/N	PRODUCT NAME	NAFDAC NO.	ACTIVE INGREDIENTS	INDICATIONS
25	Nimartem Tablet x 24	A4-3524	Artemether / Lumefantrine 20/120mg	Anti-malarial
26	Nimartem QS Tablet x 6	B4-3215	Artemether / Lumefantrine 80/480mg	Anti-malarial
27	Obron-6 Capsules	04-1748	Multivitamin /Iron/Minerals	Pregnancy and Lactation
28	Osinex Syrup	04-0085	Chlorpheniramine, Phenylephrine Dextromethorphan, Glyceryl guaiacolether	Cough & Cold
29	Pancemol Elixir	04-2115	Paracetamol 125mg/ 5ml	Analgesia
30	Pancemol Tablet	04-2116	Paracetamol 125mg/ 5ml	Analgesia
31	Pyrantrin Suspension.	04-7510	Pyrantel Pamoate 250mg/5ml	Worm Infestation
32	Pyrantrin Tabs 125mg X 6s	04-7511	Pyrantel Pamoate 125mg	Worm Infestation
33	Tronid Suspension	04-7729	Metronidazole 200mg	Bacterial Infection
34	Tronid Tablet	04-7784	Metronidazole 200mg	Bacterial Infection
35	Unaben Suspension	04-9938	Albendazole 200mg/5	Worm Infestation
36	Nimetol Antiseptic	A4-2425	Di Chloroxylenol 2.0%	Skin/General disinfection
37	Hibilon Antiseptic	A4-2651	Chlorhexidine Gluconate	Skin/General disinfection
38	NCP Liquid 25ml / 50ml / 100ml /	04-8475	Chlorinated Phenols	Antiseptic/Disinfectant
39	NCP Hand Sanitizer 30ml	03-2897	Ethyl Alcohol 62% (w/v) / Isopropyl alcohol 3.30% (w/v)	Antiseptic



II. Distribution

We have depots located in Lagos, Abuja, Ibadan, Onitsha, and Aba. These depots serve as our contact offices in these areas. Currently we have about 100 sales men that cover all the 36 states of Nigeria. We also have key distributors and wholesalers who represent our interests in areas where our depots are absent. (Contact us for the distributor's name and address closest to you.)

RESEARCH & DEVELOPMENT

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

Our Internal R&D activities include formulation of new products, re-formulation of existing products to enhance efficacy, create new therapeutic uses, increase sales potentials and profitability as well as usage extensions. Achievements in this area include the re-formulation of Minizide, our flagship antihypertensive drug for blacks to give birth to our new product Miniplus. Our Internal R&D efforts lead to the launch or re-launch of 11 (eleven) Human products and 8 (eight) Veterinary products.

With the re-establishment of a sterile business unit after our recapitalisation drive in

2005, we rolled out 4 (four) injectable veterinary antibiotics and several injectable human antibiotics, anti-malarials, antipyretic, and anti-rheumatic drugs within eighteen months. R&D work on all these products is well advanced.

Our External R&D work entails working with Medical Scientists/Researchers to develop new products, conduct drug clinical trials and in-vitro drug studies. These drugs could be natural, and/or chemical (synthetic), oral, or parenteral. To this end, we review research work in our indigenous Universities based on local raw materials, focusing on specific disease 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 disease. Our work on other phytomedicines such as Physogen and Streptol for common cold and throat infections respectively has advanced significantly. Malaria, Diabetes and HIV/AIDS are ailments that are also in the very centre of our efforts. Our Mission is to expand and grow the exportation of health solutions to other countries after meeting local needs.

MANUFACTURING & CERTIFICATIONS

The Neimeth manufacturing plant is situated on 20 acres of land with enough space for future expansion. The Neimeth manufacturing plant is installed to manufacture a wide range of pharmaceutical and veterinary products: Tablets, Capsules, Ointment/Creams, oral and Consumer Liquids, Powders, etc. in diverse packaging presentations.

The manufacturing Plant has Good Manufacturing Practice (GMP) compliance, as it is certified by NAFDAC and licensed to manufacture pharmaceuticals by Pharmacist Council of Nigeria (“PCN). The Plant is also equipped with in-house water treatment facility with De-ionisation and Distillation capabilities. We make continuous efforts in upgrading our Plant and this is evident by our periodic restructuring and upgrading of the equipment and machineries to accommodate new opportunities that have emerged in form of excess capacity utilization for contract manufacturing, product customization and product analysis.

To further expand our manufacturing capabilities, Neimeth International Pharmaceuticals Plc has also officially kicked off the construction of its N5 Billion Pharmaceutical Complex situated on an area covering 2.56 hectares of land in Anambra State. The new facility is poised to meet the relevant National and International standards and is already WHO pre-qualified to manufacture products which treat diseases prevalent in Nigeria and Africa including Malaria, TB, HIV, Hypertension etc.

Neimeth's has her products registered and available in other ECOWAS (Economic Community of West African States) countries and is therefore committed to meeting international best practice standards. The Company is currently NIS ISO 9001: 2008 and NIS ISO 14001:2004 certified.

COMMUNITY SERVICE

Community consciousness is one of Neimeth's core values. To this end, Neimeth as a good corporate citizen has from inception 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 infestation via numerous free de-worming programs 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 the Pyrantrin Kids Club (PKC). It is a health educational club for children aged 4-13 years. It has been well documented that Children serve as the main transmission link in worm infestation. Membership is spread across the 36 states of the Federation. It has numerous enviable membership benefits like birthday celebrations, scholarships, etc. Membership strength, it is expected to grow in the coming years.

Another health educational strategy was the Helminthiasis Elimination Lower-Cost Partnership (HELP). This is Neimeth's social engineering programme aimed at improving the health, nutrition and welfare of Nigerians 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 de-worming partnership programme with NGOs, Governments, State Ministries of Women and Social Development at highly subsidized shared/lower cost.

Other community health educational programmes include our “Fight the Good Fight Against Hypertension” (FITGAH). The programme enlightens Nigerians on the dangers of hypertension and diabetes and useful tips on ways to remedy them. It also offers half the price of hypertensive drugs to those diagnosed of the health issue.

Associated with this programme is the Stress Management Programme for Executives (SMAPEX) in which we emphasis 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 Roll Back Malaria Programme (RBM) has been specially designed to take care of this problem, considering that malaria is responsible to 10% of children's death in hospitals and accounts for high mortality rate in pregnant women at an estimated 40%.

Also, Malnutrition results in 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 government with attendant socio-political benefits.

The consequences of Guinea worm infection on victims are known to be quite devastating. Fortunately these are reversible. It is estimated that over 2.5 million Nigerians are infected every year with far reaching impact on our economy, food production, etc. Neimeth offers solutions that will institute collaborative efforts involving Ministries of Health, Education, Information and Water Resources through her Guinea Worm Eradication Programme (G-WEP).

Neimeth's focus on indigenous research into drugs and medicaments for common African disease 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 NGOs, demystification of the disease among rural communities as well as counseling of young and single people before marriage.

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. Some State are beneficiaries of this Medicare enhancement programme. 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.

HEALTH, SAFETY & ENVIRONMENT POLICY

In our commitment to be the leading healthcare manufacturing company and leader in corporate Nigeria, Neimeth has ensured that all its operations are conducted in a manner consistent with the relevant applicable laws. Our Health, Safety & Environment ("HSE") Policy is just one of the important values Neimeth has adopted in ensuring operational excellence and international best practice compliance. Therefore, Safety and Health of our workforce and our Environment Protection are important to our success.



We are committed to a process of continuous improvement in all we do and to the adoption of international industry standards and codes wherever practical. Our efforts in the areas of HSE are directed by the following key philosophy:

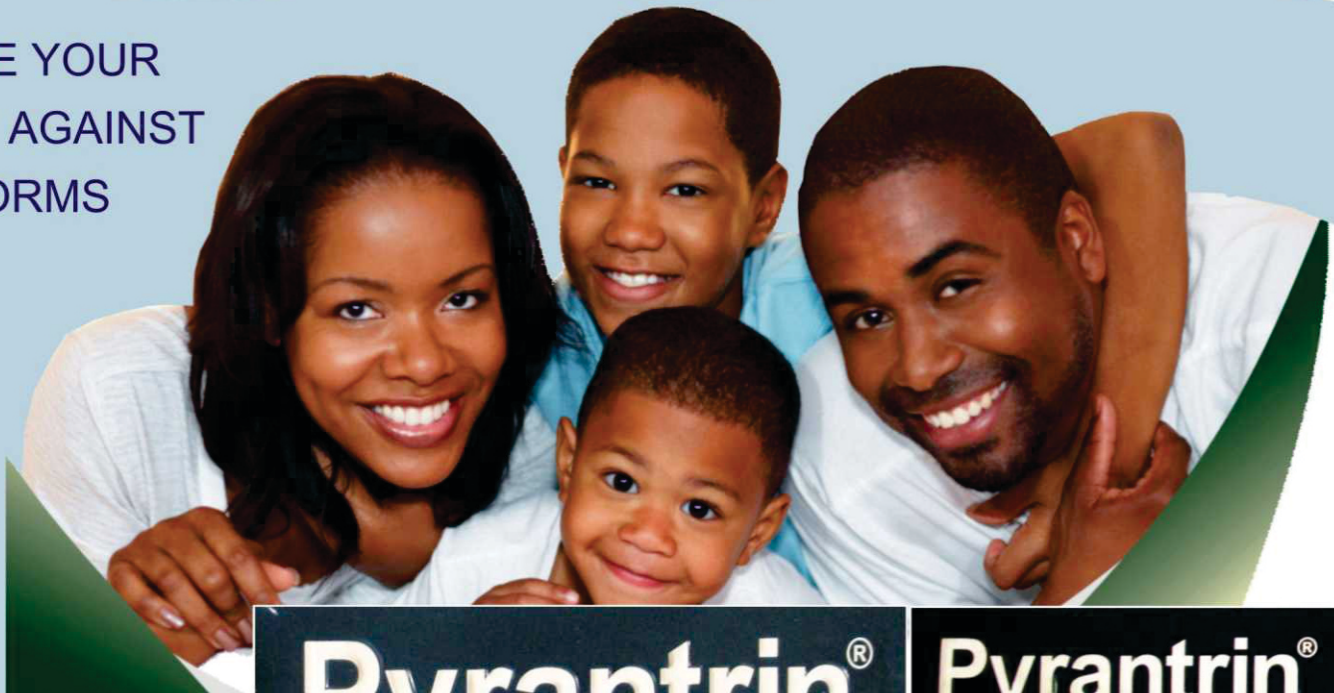
- **Industrial Accident Prevention:** We will strive to make our workplaces free of injuries and accidents with 100% safe work practices and safe conditions throughout our operations.
- **Environmental Protection:** We are committed to the protection of the environment and shall apply industry best practices as appropriate to minimize the generation of emissions and waste throughout our operations.
- **Risk Assessment:** Effective management of risk is fundamental to achieving safe operations. We will systematically identify potential hazards, assess their relative significance, develop reduction measures and establish suitable controls to ensure that risks are minimised.
- **Emergency Preparedness:** Being properly prepared for an emergency is of vital importance and is the responsibility of management, supervisors and employees at all levels. We will maintain emergency plans in cooperation with local authorities and emergency services groups to ensure a prompt, effective and integrated response to minimise harmful effects from any incidents.
- **Regulatory Compliance:** We will comply with all applicable laws, regulations, standards and recognised codes of practice and, where any of these are inadequate, adopt and apply high standards that reflect Neimeth's commitment to safety, the protection of the natural environment and the health of our workforce.
- **Communication:** We will clearly communicate our HSE commitments, responsibilities and performance to our employees, our contractors and the public.
- **Training:** We will ensure that employees and contractors understand their HSE responsibilities, that they have the right training for their jobs and are competent to perform their assignments safely, effectively and efficiently.



Pyrantrin[®]

Pyrantel Pamoate

UNITE YOUR
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: 01-8990741-2, 08033439925, 08039584177

The Directors submit herewith to the members of the company the statement of the Financial Position as at 30th September, 2017 together with the Comprehensive Income statement for the year ended on that date.

LEGAL FORM

The Company, Pfizer Products Nigeria was incorporated on 13th 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, animal health 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
Profit for the year before taxation	(404,920)
Taxation	(6,564)

Profit after taxation	<u>(411,484)</u>

DIRECTORS AND THEIR INTERESTS

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

DIRECTORS' INTERESTS AS AT SEPTEMBER 30, 2017

S/N	DIRECTORS	HOLDINGS	INDIRECT INTEREST	HOLDINGS
1	DR. A.B.C. ORJIAKO	*****	ORDREC INVESTMENTS LIMITED	197,910,746
			HELKO NIG. LTD.	174,466,757
2	DR. EBERE IGBOKO EKPUNOBI	*****	*****	*****
3	MR. CHRISTOPHER U. MMEJE	132,000	*****	*****
4	MR. MAZI S.I. OHUABUNWA	120,681,508	MASTA SERVICES COY LTD	5,587,738
			ESI OHUABUNWA & SONS LTD	687,588
5	MR. BALOGUN ADEKOLA OLUGBENGA	7,776,340	*****	*****
7	MR. OMENE GODWIN EYARUBERE	19,921,429	*****	*****
8	PROF. ELIJAH NDAJIYA SOKOMBA	550,000	INTERCEDD HEALTH PRODUCTS LTD	409,857,176
9	PROF. MAURICE MMADUAKOLAM IWU	28,266,989	*****	*****
10	MR. IKECHUKWU TAGBO ONYECHE	4,415,342	ALPHA PHARMACY & STORES LIMITED	65,911,998
11	MR. THOMAS TUNBOSUN OSOBU	73,795,092	*****	*****



e. **Directors Interest in Contracts**

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, 2017.

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

ANALYSIS OF SHAREHOLDING

Range of Holdings	No.of Holders	Holder's %	Holder's Cum.	Units	Units %	Units Cum
1 - 1,000	6,750	22.41	6,750	3,030,606	0.19	3,030,606
1,001 - 5,000	13,289	44.11	20,039	31,482,038	2.01	34,512,644
5,001 - 10,000	3,743	12.42	23,782	26,228,722	1.67	60,741,366
10,001 - 50,000	4,974	16.51	28,756	101,403,796	6.46	162,145,162
50,001 - 100,000	696	2.31	29,756	48,622,054	3.10	210,767,216
100,001 - 500,000	543	1.80	29,995	106,010,203	6.75	316,777,419
500,001 - 1,000,000	59	0.20	30,054	39,929,073	2.54	356,706,492
1,000,001 - 50,000,000	65	0.22	30,119	265,033,091	16.89	621,739,583
50,000,001 - ABOVE	6	0.02	30,125	947,811,745	60.39	1,569,551,328
GRAND Total	= 30,125	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, 2017.

S/N	NAMES OF SHAREHOLDERS	UNITS	PERCENTAGE (%)
1	OHUABUNWA S. IHEANYICHUKWU	120,681,508	6.99%
2	HELKO NIGERIA LIMITED	174,466,757	10.11%
3	ORDREC INVESTMENTS LIMITED	197,910,746	11.46%
4	INTERCEDD HEALTH PRODUCTS LTD	409,857,176	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 2017 are given in Notes 10 to 14 of the Statement of Financial Position.

CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility and business culture demand that a certain percentage of our earning be ploughed back into the society. Neimeth as a committed corporate citizen indulges significantly in activities geared towards enhancement of the quality of life of Nigerians through donation of healthcare products, health enlightenment programmes and sometimes sponsorship of professional conferences within Nigeria.

Neimeth's central focus is on FITGAH – (Fight the Good Fight Against Hypertension). Hypertension, like other non-communicable diseases, its prevalence is high and worsening in our nation every day. It is assuming an epidemic status leading to sudden death, stroke and kidney damage. Neimeth collaborates with organizations on FITGAH to reduce the deaths occasioned by Hypertension in the society.

The overall objective apart from awareness is to ensure that subjects continue to access their medication conveniently. Neimeth offers one month FREE anti-hypertensives for all isolated cases subject to a partner signing in for 6 months provision of products.

Neimeth will continue to sustain her cardiovascular/FITGAH centre at Ikeja and Oregun with the provision of Free medical examination and management of hypertension subjects within her immediate communities. During the year total number of 1,241 subjects were examined and placed on Neimeth's anti-hypertensive products.

During the year under review, no cash donation was made.

COMPANY'S DISTRIBUTORS

An exclusive distribution agreement was entered into in April 2015 with Would Wide Health Care Limited (WWCVL) for the distribution of about 65% of Neimeth Major Brands.

The names of other Distributors during the period are as follows:

Iykmavian Pharmacy Ltd, Lagos	Precious Pharm, Abeokuta
Santus Pharmacy, Lagos	Ramsgate Pharm. Ota
Spine Products Ltd, Lagos	Kamel Pharmacy, Calabar
New Height Pharm, Lagos	Goodall Pharmacy Ltd, Ibadan
U. J Madonna, Osogbo	Danny Faith Pharmacy (Lagos)
Canez Pharmarcy, Onitsha	Zagbayi pharm Ltd, Minna
Eco Blessed Pharm Ltd Onitsha	Tony Pharmacy, Kano
Prodave Pharmacy Ltd, Onitsha	Skylark Pharmacy, Abuja
Fiolu Pharm, Ilorin	Gabytto Pharm Ltd, Yola
Royal Michael Pharm, Benin	Samtad Nig Ltd, Ikire, Osun
Latnas Pharmacy (Kano)	Tonia Pharmacy, Abuja
Wino Pharmacy, Makurdi	Sood & Jins, Lagos.

SUPPLIERS

Maple Plastic
Top Pan Printing Nig. Ltd
Manipal Int't Press Limited



Beta Glass Plc.
 mPedigree Network
 Poly Product Nig. Ltd
 Krisoral & company Limited
 Shongai Technology
 Mich Bamidele (Nig.) Enterprises
 Afkar Printing & Publishing Co
 Sagar Overseas Limited
 Drug and healthcare Limited
 Rolandhill Nigeria Limited
 Chellarams Plc.
 Capsulegel Belgium Nv
 FMC Biopolymer As
 Hasthan Export Marketing PVT
 Landcent (Hongkong) Co. Ltd
 Gharsu Services Limited
 Korea United Pharm Inc (KUP)
 Medinomics Health Care Private Limited

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 N1,531,938,231 (2016 – N2,468,973.00)

RESEARCH AND DEVELOPMENT

Research and Development determines the continuity of the company. This is achieved by constant review and improvement of existing product formulations while researching into new product formulation and development to meet the demands of the market and our teeming customers.

The Company has work on-going on several products including dosage extension of existing products among which are these:

1. Unaben 200mg Chewable Caplet (Dosage extension of Albendazole)
2. Pyranthrin 250mg Chewable Caplet chocolate – flavored (Formulation and dosage extension).
3. Normoretic Tablets (Reformulation)
4. Multi-component Anti-hypertensives e.g. Amlodipine 10mg + Losartan 100mg + Hydrochlorthiazide 25mg (Calcium channel blocker + Antilipidaemic + Diuretic agent).
5. Personal Lubricant (New product introduction).
6. NCP Ointment (Product re-introduction).
7. NCP Toothpaste & NCP Liquid detergent (New product introduction)
8. Ongoing work on Ciklavit capsule (Dosage extension).
9. Neimeth Metronidazole 400mg Tablets-Tronid 400mg (Dosage extension)
10. Neimeth Cotrimoxazole 480mg Tablets –Necotrim 480mg (Product Reformulation)

EMPLOYEE INVOLVEMENT AND TRAINING

At Neimeth, we recognize that only one thing differentiates one company from another – its people. The company believes highly in EMPLOYEE INVOLVEMENT and PARTICIPATION which have been at the heart of our industrial



relations since inception. Every employee is regarded as unique and his impact is solicited and valued by Management. Employee and Management recognize that each employee is involved in running the business to provide quality products and services to our customers, shareholders and the community in which we operate.

Intrinsic to most employee involvement processes is TRAINING in team effectiveness, productivity, communication, and problem solving, the development of reward and recognition systems. In return, employees are treated equitably, fairly and with dignity as individuals in a consistent manner.

At Neimeth, we will continue to invest in training and development of employees to make them more productive and effective in their jobs, directly contributing to the bottom line.

HEALTH, SAFETY AND WELFARE OF EMPLOYEE

Environmental Management Policy

Neimeth is committed to operating its manufacturing system (Production of healthcare and pharmaceutical products and support activities) in a safe and environmentally friendly manner. This ensures that the environmental impact of our production and related operations is controlled to ensure as little degradation as possible to the environment.

Accordingly, we constantly monitor our emission of green house gases and ensure we reduce our carbon footprint through proper and periodic maintenance of our generators, proper servicing of our transport vehicles and through an annual corporate environmental objective which includes the planting of between 2-5 trees. Environmental audits are also carried out regularly and statutorily as required by law, at the end of which corrective and preventive actions are put in place to forestall any future occurrence.

This is achieved through the implementation of ISO 14001: 2015 and the continuous improvement of Environmental Management system (EMS)

ENVIRONMENTAL SUSTAINABILITY

At Neimeth, we make use of a wide range of resources like fuel, water and paper. The usage of these natural resources are monitored and measured and operational controls put in place to avoid wastages thereby promoting sustainability of these natural resources. In the case of water usage, this is achieved through the metering of the portable and de-ionized water lines and conducting regular leak audits which are quickly addressed. In 2016, the percentage water usage was 0.31% while in 2017, it was 1.65%, the marginal increase was as result of increased production and in the case of paper usage, sending more memos via emails than hard copies and the use of both sides of the paper has reduced the paper used annually thereby ensuring sustainable operations. On Energy Usage, a lot of improvement was also recorded.

We have done a lot in the area of waste to landfill management through the introduction of various initiatives and as such we have consistently maintained a waste to landfill percentage of 0.6% between 2016-2017 with continuous improvement on the forefront of our priority burner.

Some of these initiatives employ the three Rs technique of Re-use, Reduce and Recycle, this we have been able to achieve through the segregation of our waste as comingling of waste was formerly the order of the day. Some of the wastes like nylon, paper and waste cartons are sold to middle men which become raw material for some other companies thereby converting waste to wealth. Some of the production waste from the natural products are sold to pig farmers and used as feed for the pigs.

The Extended Producer responsibility (EPR) is our target whereby we will be responsible for the waste generated by the last item on our production process.

HEALTH & SAFETY

At Neimeth, we are committed to conducting our manufacturing processes in a safe and accident free environment for all employees, contractors and visitors.

We have built a safety culture in our personnel through regular trainings, teaching them that their safety is in their hands and that safety is everybody's responsibility and not only a function of the management.



The management has on its own part made tremendous strides towards the provision of various controls both engineering and administrative and has also made adequate provision of PPEs for employees. The target is to have a zero accident environment where the employees come to work safe and go back same. Visual aids in the form of safety signs have been made in the simplest of forms and language so that even the unlettered can decipher them. Employees are encouraged to report near misses and accident investigations are carried out accordingly and CAPA (Corrective and Preventive Actions) are put in place. This giant stride is a huge improvement from 2016. In 2016, 2 Lost Time Accidents were recorded, 1 for a non-Full Time Staff and 1 for a Full Time Staff while in 2017, no such incidents were recorded which is a marked improvement from 2016.

NEIMETH HIV/AIDS POLICY

Neimeth has adopted a policy with a commitment to prevent the spread of HIV/AIDS in our workplaces and to care for the personnel and their dependents who suffer from its effects.

To guide Neimeth management in addressing the challenges of managing HIV/AIDS in the work place, this policy therefore seeks to:

- To create programs in conjunction with other appropriate agencies to prevent the scourge of this disease which include education and awareness program.
- To guide managers, supervisors and workers on the best practice in ensuring harmonious work relationship between employee(s) with HIV/AIDS and other employees.
- To emphasize on the level of reasonable accommodation the company can provide employees with life threatening illness that would not be detrimental to the smooth operation of the company's business, and
- Promote confidentiality and non-discrimination towards employees with HIV/AIDS thereby promoting appropriate and effective ways of managing HIV/AIDS in the workplace.
- Avoid stigmatization meted out to employees living with HIV/AIDS through ensuring that their status is kept confidential.

POST BALANCE SHEET EVENTS

Subsequent to year end, ₦190 million was agreed as full and final settlement in respect of insurance claim on the fire incident that gutted the company's raw material warehouse at its Oregon factory. 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, 2017 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.



MRS. F. I. ONYENEKWE (FRC/ICAN/00000010082)
Company Secretary
Lagos, Nigeria
19th February, 2018



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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 examined the Auditors' Report for the year ended 30th September, 2017. 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 plan 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.

Dr. Marcel O. Ojinka
Chairman, Audit Committee

Other members of the Audit Committee

Alhaji M. I. Jinadu
Alhaji A. O. Ajagun - (Late)
Sir G. E. Omene
Sir I. T. Onyechi
Mr. T. T. Osobu

Mrs. F. I. Onyenekwe – Secretary to the Committee

**BREAKTHROUGH
AT LAST!!!**

Ciklavit*

1st Natural Nutritional Supplement in the
management of sickle cell disorder.



Independent Auditor's Report

To the Members of Neimeth International Pharmaceuticals Plc

Opinion

We have audited the accompanying financial statements of **Neimeth International Pharmaceutical Plc**, which comprise the statement of financial position at 30 September 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at 30 September 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

1. Fire incident at Oregon factory and related consequence	How the matters were addressed in the audit
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Refer to Note 30 in the financial statements.

In March 2017, a fire broke out at Oregon Factory of the company. The fire incident affected raw materials, equipment and part of the building. The estimated cost of the damage was N513 million, N323 million has been recognised in the profit or loss account after considering the N190 million agreed as full and final settlement of claim from the insurance company.

We focused on this area because the claim from insurance company involves significant judgement. Also, because the size of the loss and uncertainties relating to the timing of recognising claim and future payment from the insurance company

We reviewed and assessed the valuation done by the management, we made enquiry on the net realisable value of the inventories, allowance for impairment of fixed assets, mainly building and equipment and the claim amount which was made to the insurance company.

The specific work we performed on the assessment of the fire incident at the factory included:

- Inquired from management about the status of losses incurred and recognised, and the claims made to the insurance company as against actual claim received from the insurance company. We also inspected related supporting documents and management analysis.
- We discussed with the management on the procedure performed and the result regarding the adequacy of loss recognised from the fire incident.
- We also ensure adequate disclosures and treatment of the insurance claim receivable subsequent to year end.

2. Impairment of trade and other receivables

The Company is exposed to credit arising from the company trade receivables

The appropriateness of impairment calculation for long term over due credit which require significant management judgement, which makes it a key audit matter.

Trade and other receivables are significant to this company as they account for about 24% of the total assets value.

Trade receivables are stated at fair value and subsequently measured at amortised cost less provision for impairment as disclosed in note 12 and 12.1 to the financial statements.

The Company assesses at each reporting date whether there is objective evidence that financial assets is impaired. In carrying out this assessment, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

The determination of the impairment of trade receivables requires the assessment of recoverables amounts, which requires judgement in the estimation of future payments.

We focused our testing of impairment on trade and other receivables on the assumptions of management.

Our audit procedures included:

- We assessed and test the design and operating effectiveness of the controls over impairment calculations.
- We reviewed the control put in place on the recoverability of the receivables that had been long overdue.
- Evaluate whether the model used to calculate the recoverable amount complies with the requirements of IAS 39 and it is in agreement with our understanding of the business and the industry in which Neimeth operates.
- We challenged management's assessment of the recoverability of aged and overdue receivables, payments with delayed or overdue repayments, considering historical patterns of amount owed and repayment as well as recent communications with their counterparties.
- Evaluated the accounting principles underlying revenue recognition, which form the basis for the recognition of trade receivables.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report, Audit Committee's Report, Corporate Governance Report and Company Secretary's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004 and with the requirements of the 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.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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




Najeeb A. Abdussalaam, FCA,
FRC/2013/ICAN/00000000753
For: **PKF Professional Services**
Chartered accountants
Lagos, Nigeria.

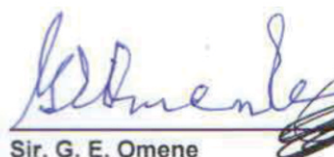


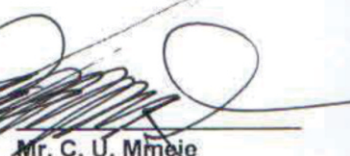
Dated: 22 January 2018

	Notes	2017 N'000	2016 N'000
Assets			
Non-current assets			
Property, plant and equipment	8.	568,933	503,173
Intangible Assets	10.	24,765	-
		<u>593,698</u>	<u>503,173</u>
Current assets			
Inventories	11.	688,928	725,954
Trade receivables	12.	498,318	799,438
Other current assets	13.	311,399	93,317
Cash and cash equivalents	14.1	188,011	566,849
		<u>1,686,656</u>	<u>2,185,558</u>
Total assets		<u>2,280,354</u>	<u>2,688,731</u>
Current liabilities			
Trade and other payables	16.	280,963	182,140
Current borrowing	16.	147,203	121,610
Current portion of long term borrowings	15.1.1	619,859	678,211
Current tax payable	20.	61,500	67,693
Finance lease liabilities	23.	38,635	9,755
Define contribution plan	18.	47,072	83,420
		<u>1,195,232</u>	<u>1,142,829</u>
Non-current liabilities			
Non-current portion of long term borrowings	15.1.2	174,420	258,499
Finance lease liabilities	23.	50,485	10,136
Deferred tax liability	21.	54,849	54,849
		<u>279,754</u>	<u>323,484</u>
Total liabilities		<u>1,474,986</u>	<u>1,466,313</u>
Net assets		<u>805,368</u>	<u>1,222,418</u>
Equity			
Ordinary shares	24.2	863,254	784,776
Share premium	24.3	1,113,889	1,197,933
Accumulated loss	25.	(1,171,775)	(760,291)
Total equity		<u>805,368</u>	<u>1,222,418</u>

These financial statements were approved by the Board of Directors on 22 January, 2018 and signed on its behalf by:


 Dr. A. B. C. Orjiako
 Chairman
 FRC/2013/IODN/00000003161


 Sir, G. E. Omene
 Director
 FRC/2013/NSE/00000004747


 Mr. C. U. Mmeme
 AG MD/Finance Director
 FRC/2014/CIBN/00000006114

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

	Note	2017 N'000	2016 N'000
Turnover	26.	1,534,003	2,001,815
Cost of sales	27.	<u>(604,670)</u>	<u>(776,758)</u>
Gross profit		929,333	1,225,057
Other income	32	5,493	6,158
Marketing and distribution expenses	28.	(321,075)	(322,289)
Administrative expenses	29.	(651,877)	(527,405)
Inventory written off	30	(322,973)	-
Net exchange gain/loss	31	<u>40,446</u>	<u>(196,564)</u>
Operating (loss)/profit		(320,653)	184,956
Finance costs	33	<u>(84,266)</u>	<u>(89,595)</u>
(Loss)/profit before taxation		(404,920)	95,361
Income tax expense	22.	<u>(6,564)</u>	<u>(30,268)</u>
(Loss)/profit for the year from continued operation		<u>(411,484)</u>	<u>65,093</u>
Other comprehensive income			
Gain on available for sale assets		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income		<u>(411,484)</u>	<u>65,093</u>
Basic (loss)/earnings per share	37	<u><u>(24)</u></u>	<u><u>4</u></u>

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



	Ordinary shares N'000	Share premium N'000	Accumulated loss N'000	Total equity N'000
At 30 September 2015	784,776	1,197,933	(825,384)	1,157,325
Changes in equity for 2016				
Profit for the year	-	-	65,093	65,093
Other comprehensive income				
Exchange gain or loss on foreign operations	-	-	-	-
Total comprehensive loss for the year	-	-	65,093	65,093
Issue of share capital	-	-	-	-
Transfer between share capital/ premium	-	-	-	-
Transaction costs for equity issue	-	-	-	-
At 30 September 2016	784,776	1,197,933	(760,291)	1,222,418
	Ordinary shares N'000	Share premium N'000	Accumulated loss N'000	Total equity N'000
At 30 September 2016	784,776	1,197,933	(760,291)	1,222,418
Changes in equity for 2017				
Loss for the year	-	-	(411,484)	(411,484)
Other comprehensive income				
Exchange gain or loss on foreign operations	-	-	-	-
Total comprehensive profit for the year	-	-	(411,484)	(411,484)
Issue of share capital	-	-	-	-
Transfer between share capital/ premium	78,478	(78,478)	-	-
Transaction costs for equity issue	-	(5,566)	-	(5,566)
At 30 September 2017	863,254	1,113,889	(1,171,774)	805,368



	Notes	2017 N'000	2016 N'000
Cash flows from operating activities			
Cash flow generated from/(used in) operations	36	218,162	(81,565)
Cash receipts from customers		1,615,123	2,448,067
Cash payments to suppliers and employees		(1,856,841)	(1,822,655)
Payment for employee benefit obligations	18.	(45,592)	(51,493)
Current income tax paid	20.	(12,757)	(10,631)
Net cash (used in)/generated from operating activities		(81,905)	481,723
Cash flows from investing activities			
Purchase of property plant and equipment	8.	(88,748)	(72,069)
Purchase of intangible asset	10	(24,765)	-
Additions to assets under finance lease	9.	(108,368)	(32,500)
Purchase of capital work in progress	8.	(1,151)	(15,510)
Proceed on disposal of property, plant and equipment		905	1,304
Net cash used in investing activities		(222,127)	(118,775)
Cash flows from financing activities			
Finance costs paid	33	(84,266)	(89,595)
Repayments of finance lease obligations	23.	(23,584)	(27,515)
Proceeds from finance lease obligations	23.	92,813	25,273
Repayments of term loans	15.1	(110,346)	(81,366)
Proceeds of term loans received	15.1	17,493	255,403
Repayments of term loans	17.2	(395,745)	(75,701)
Proceeds of term loans received	17.2	348,248	143,484
Proceeds from other loans	15.4	7,491	538
Net cash (used in)/generated from financing activities		(147,896)	150,521
Decrease/increase in cash and cash equivalents		(451,928)	513,468
Cash and cash equivalent at the beginning of the year		566,849	53,381
Cash and cash equivalent at the end of the year	14.2	114,921	566,849

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





1. The Company

1.1 Legal form

Neimeth International Pharmaceuticals Plc, a Company quoted on the Nigerian Stock Exchange was incorporated on 13 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 buyout.

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

These financial statements have been prepared for the year ended 30 September 2017 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011. Additional information required by local regulators has 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 instruments and land and buildings measured at fair value.

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 accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the financial statements present the financial position and results fairly.

2.3 Going concern assessment

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

2.4 Functional and presentation currency

These financial statements are presented in Naira, which is the company's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

2.5 Summary of Standards and Interpretations effective for the first time

a Amendments to IFRS 12 Disclosure of Interests in Other Entities

This amendment clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

b Amendments to IFRS for SMEs

Three amendments are however of larger impact:

- The standard now allows an option to use the revaluation model for property, plant and equipment as not allowing this option has been identified as the single biggest impediment to adoption of the IFRS for SMEs in some jurisdictions in which SMEs commonly revalue their property, plant and equipment and/or are required by law to revalue property, plant and equipment;
- The main recognition and measurement requirements for deferred income tax have been aligned with current requirements in IAS 12 Income Taxes (in developing the IFRS for SMEs, the IASB had already anticipated finalization of its proposed changes to IAS 12, however, these changes were never finalized); and



- The main recognition and measurement requirements for exploration and evaluation assets have been aligned with IFRS 6 Exploration for and Evaluation of Mineral Resources to ensure that the IFRS for SMEs provides the same relief as full IFRSs for these activities.

c Amendments to IAS 7 Statement of Cash Flows

This amendment to IAS7 clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities

d Amendments to IAS 12 Income Taxes

Amends to recog-ni-tion of deferred tax assets for unrealized losses, IAS 12 Income Taxes clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

2.5.2 Standards and interpretations issued/amended but not yet

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

2.5.2.1 Amendments effective from annual periods beginning on or after 1 January 2018

a Amends IFRS 2 Share-based Payment to clarify the standard in relation to the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

b Amendments to IFRS 4 Insurance Contracts

Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so called overlay approach;
- An optional temporary exemption from applying IFRS 9 for entities whose pre-dom-i-nant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

c Amendments to IFRS 15 'Revenue from Contracts with Customers

Effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2017.

IFRS 15 provides a single, principles based five step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

Amends IFRS 15 Revenue from Contracts with Customers also clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.



2.5.3 Amendments to IFRS 9 Financial Instruments

Effective on or after January 2018

A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- a) Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- b) Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- c) Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- d) Derecognition. The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39.

e Amendments to IAS 40 Investment Property

Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

f Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

Amendments resulting from Annual Improvements 2014–2016 Cycle, the amendment deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

g Amendments to IAS 28 Investments in Associates and Joint Ventures

This amendment Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment by investment basis, upon initial recognition.

Amendments effective from annual periods beginning on or after 1 January 2019**2.5.4 IFRS 16 'Leases'**

Effective for annual periods beginning on or after 1 January 2019:

- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.
- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.
- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.



- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.
- IFRS 16 supersedes the following Standards and Interpretations:
 - a) IAS 17 Leases;
 - b) IFRIC 4 Determining whether an Arrangement contains a Lease;
 - c) SIC-15 Operating Leases—Incentives; and
 - d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

2.5.5 New standards, amendments and interpretations issued but without an effective date

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective. This includes:

a Amendments to IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances);
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognized in profit or loss;
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit or loss;
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

Also a revised version of IFRS 9 incorporating requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

b Amendments to IFRS 10 and IAS 28 Consolidated Financial Statements and Investments in Associates and Joint Ventures

Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations);
- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 an indefinite useful life 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 recognised 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 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 year.

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.



3.3 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.

3.4 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.

3.5 Financial instruments

The company classifies financial instruments, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

Financial instruments are derecognised on trade date when the group is no longer a party to the contractual provisions of the instrument.

3.5.1 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.

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 trade 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 financial assets comprise equity investments. Subsequent to initial recognition available-for-sale financial assets are stated at fair value. Movements in fair values are taken directly to equity, with the exception of impairment losses which are recognised in profit or loss. Fair values are based on prices quoted in an active market if such a market is available. If an active market is not available, the company establishes the fair value of financial instruments by using a valuation technique, usually discounted cash flow analysis. When an investment is disposed, any cumulative gains and losses previously recognised in equity are recognised in profit or loss. Dividends are recognised in profit or loss when the right to receive payments is established.

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.

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.

c 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.

3.5.2 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 amortise 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.

3.5.3 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 is impaired includes observable data that comes 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.

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 a financial asset or a company of financial assets is impaired. In the 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 statement of profit or loss.

3.5.4 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.



3.6 Trade and other receivables

Trade receivables are amount due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as 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.

3.7 Cash and cash equivalents

Cash equivalents comprises of 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.

3.8 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.

3.8.1 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.

3.8.2 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.

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.

3.9 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.

Trade 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.

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.

3.10 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.

3.11 Employee benefits

3.11.1 Defined contribution plan

In accordance with the provisions of the amended Pension Reform Act, 2014 the Company has instituted a Contributory Pension Scheme for its employees, where both the employees and the company contribute 8% and 10% of the employee total emoluments. The company's contribution under the scheme is charged to the profit and loss while employee contributions are funded through payroll deductions.

Obligations for contributions to the defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than twelve months after the end of the period in which the employees render the service are discounted to their present value.

Payments to defined contribution plans are recognised as an expense as they fall due. Any contributions outstanding at the year end are included as an accrual in the statement of financial position.

3.11.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a define 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 benefit 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.

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.

3.11.3 Termination benefit

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 benefit for voluntary redundancies is 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.

3.11.4 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.

3.12 Taxation

The tax expense for the period comprises current and deferred tax. 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.

3.13 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.

3.14 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.

3.15 Revenue recognition

3.15.1 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.

3.16 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.

3.17 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 intersegment 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.

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 a 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 assumption.

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 a 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.

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 risk 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.
- documentation of controls and procedures.
- training and professional development.
- Ethical and business standards.

5.3 Financial risks

The company's operations expose it to a number of financial risks. A risk management programme has been established to protect the company against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year and they are:

- Credit risks
- Liquidity risks
- Market risks

a Credit risks

The company invests some of its surplus funds in high quality liquid market instruments. Such investments have a maturity no greater than three months. To reduce the risk of counterparty default the company deposits the rest of its surplus funds in approved high quality banks. Concentrations of credit risk with respect to customers are limited due to the company's customer base being Large and unrelated. Customers are assessed for credit worthiness and where appropriate the company obtains security for its exposure to the risk of default. Credit limits are also imposed on customers and reviewed regularly.

Exposure to risk

The company's maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements:

Financial assets

Trade and other receivables
Cash and cash equivalents

2017 N'000	2016 N'000
498,318	799,438
188,011	566,849





An analysis of trade receivables

	Carrying amount N'000	Note	Past due but not impaired				Above 12 months N'000
			Neither impaired nor past due N'000	4 - 6 months N'000	7 - 9 months N'000	10 - 12 months N'000	
2017	1,005,695	12.	477,321	39,131	57,578	211,665	220,000
2016	1,086,815	12.	467,202	10,119	39,131	282,986	287,377

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 51% of debtors' balances (2016 : 43%). The average age of these debtors is 365 days (2016 : 365 days). No debtors' balances 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 its exposure to liquidity risk. The Company complies with minimum regulatory requirements.

An analysis of trade payable

	Carrying amount N'000	Note	Past due but not impaired				Above 12 months N'000
			Neither impaired nor past due N'000	4 - 6 months N'000	7 - 9 months N'000	10 - 12 months N'000	
2017	21,656	16.	6,100	6,266	4,315	1,951	3,024
2016	12,366	16.	53	3,164	2,883	4,315	1,951

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 comprise all components of equity (i.e. ordinary shares, share premium and retained earnings).

The debt-to-capital ratios at 30 September 2017 and its comparative year were as follows:

	2017 N'000	2016 N'000
Total liabilities	<u>1,474,987</u>	<u>1,466,313</u>
Total liabilities and equity	<u>2,090,321</u>	<u>2,688,731</u>
Debt-to-capital ratio	<u>0.71</u>	<u>0.55</u>

The increase in the debt-to-capital ratio during 2017 resulted primarily from the decrease 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 has been no significant changes to its capital structure during from previous years.

7. Financial instruments and fair values

As explained in Note 3.5, 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.





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

Note	Financial assets				Financial liabilities		Total carrying amount N'000	Fair value N'000
	Fair value through profit or loss N'000	Loans and receivables N'000	Available for sale N'000	Held to maturity N'000	Amortised cost N'000	Fair value through profit or loss N'000		
At 30 September 2017								
Assets								
Trade and other receivables	12.	-	498,318	-	-	-	498,318	1,014,692
Cash and cash equivalents	14.1	188,011	-	-	-	-	188,011	188,011
		<u>188,011</u>	<u>498,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>686,329</u>	<u>1,202,703</u>
Liabilities								
Trade and other payables	16.	-	-	-	-	280,964	280,964	280,964
Borrowings (Current portion)	15.1.1	-	-	-	-	619,859	619,859	619,859
Finance lease payable	23.	-	-	-	-	38,635	38,635	38,635
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>939,458</u>	<u>939,458</u>	<u>939,458</u>
At 30 September 2016								
Assets								
Trade and other receivables	12.	-	799,438	-	-	-	799,438	1,097,355
Cash and cash equivalents	14	566,849	-	-	-	-	566,849	566,849
		<u>566,849</u>	<u>799,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,366,288</u>	<u>1,664,204</u>
Liabilities								
Trade and other payables	16.	-	-	-	-	182,140	182,140	182,140
Borrowings (Current portion)	15.1.1	-	-	-	-	678,211	678,211	678,211
Finance lease payable	23.	-	-	-	-	9,755	9,755	9,755
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870,106</u>	<u>870,106</u>	<u>870,106</u>

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 company 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).



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	Capital work in progress N'000	Assets under finance lease N'000	Total N'000
Cost									
At 1 October 2015	27,752	62,051	441,029	61,386	327,874	44,028	-	196,694	1,160,814
Addition in the year	32,030	3,890	23,055	3,454	500	9,140	15,510	32,500	120,079
Reclassification from leasehold	-	-	134,696	-	61,997	-	-	(196,693)	-
Disposal	-	-	-	-	(32,332)	-	-	-	(32,332)
At 30 September 2016	59,782	65,941	598,780	64,840	358,039	53,168	15,510	32,501	1,248,561
Addition in the year	16,550	530	29,130	5,649	-	36,889	182,757	108,368	379,873
Transfer	-	-	-	-	-	-	(197,116)	-	(197,116)
Write off of assets	-	-	(507)	(958)	-	(259)	-	-	(1,725)
Disposal during the year	-	-	-	-	(15,932)	-	-	-	(15,932)
At 30 September 2017	76,332	66,471	627,403	69,531	342,108	89,798	1,151	140,869	1,413,662
Accumulated Depreciation									
At 1 October 2015	-	4,242	254,570	46,922	299,446	43,769	-	40,469	689,418
Charge for the year	-	1,919	36,403	2,828	14,647	2,104	-	30,401	88,302
Reclassification from leasehold	-	-	28,144	-	38,277	-	-	(66,421)	-
Disposal during the year	-	-	-	-	(32,332)	-	-	-	(32,332)
At 30 September 2016	-	6,161	319,117	49,750	320,038	45,873	-	4,449	745,388
Charge for the year	-	1,991	51,801	3,183	24,652	11,035	-	18,504	111,166
Impairment due to fire incident	-	5,832	-	-	-	-	-	-	5,832
Write off of assets	-	-	(507)	(958)	-	(259)	-	-	(1,725)
Disposal	-	-	-	-	(15,932)	-	-	-	(15,932)
At 30 September 2017	-	13,984	370,411	51,975	328,758	56,649	-	22,953	844,729
Carrying amount									
At 30 September 2017	76,332	52,487	256,992	17,557	13,350	33,149	1,151	117,916	568,933
At 30 September 2016	59,782	59,780	279,663	15,090	38,001	7,295	15,510	28,052	503,173

Depreciation charged is included in the administrative expenses and cost of sales in the statement of profit or loss and other comprehensive income.

During the year, the company warehouse at Oregon was gutted by fire. Some of the assets of the company that got burnt included; desktop computer, work station tables, and units of air condition. However, the cost and accumulated depreciation of these assets have been written off in the financial statement as at 30 September, 2017 and in accordance with International Accounting Standards (IAS 36 - Impairment of assets).

Property, plant and equipment includes amounts disclosed in note 9, where the company is a lease under a finance lease agreement.

The company's assets has been pledged as security for loans obtained from one financial institutions.

Capital work in progress represent advance payment for circuit breaker etc.

9. Assets under finance lease

	Plant and machinery N'000	Motor vehicles N'000	Total N'000
Cost			
At 1 October 2015	134,696	61,998	196,694
Addition in the year	-	32,500	32,500
Reclassification	(134,696)	(61,998)	(196,694)
At 30 September 2016	-	32,500	32,500
Addition in the year	-	108,368	108,368
At 30 September 2017	-	140,868	140,868
Accumulated depreciation			
At 1 October 2015	14,674	25,795	40,469
Charge for the year	13,470	16,932	30,402
Reclassification	(28,144)	(38,277)	(66,421)
At 30 September 2016	-	4,450	4,450
Charge for the year	-	18,504	18,504
	-	22,954	22,954
Carrying amount			
At 30 September 2017	-	117,914	117,914
At 30 September 2016	-	28,050	28,052





	Software	
	2017 N'000	2016 N'000
10. Intangible assets		
Cost		
At 1 October 2017	-	-
Addition in the year	<u>24,765</u>	<u>-</u>
	<u>24,765</u>	<u>-</u>
Amortisation		
At 1 October 2017	-	-
Charge in the year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Carrying amount		
At 30 September 2017	<u>24,765</u>	<u>-</u>

Intangible assets represent cost incurred on the implementation of an ERP System under the terms of SOW Banyan Tree. Payment for this is on monthly installment, so far the sum of N24.765 million has been spent. The software is still being developed, amortisation will commence immediately the development is completed.

	2017 N'000	2016 N'000
11. Inventories		
Raw materials	343,438	457,310
Work-in-progress	81,312	4,844
Finished goods	224,606	205,024
Spare parts	21,808	17,982
Goods in transit	17,764	40,794
	<u>688,928</u>	<u>725,954</u>

Inventory valued at N689 million (2016 : N726 million) were carried at net realisable value. The amount charged to statements of profit or loss and other comprehensive income in respect of write down of inventory as a result of fire incident is N323 million (2016 : Nil). The write down of N323 million represents net value after considering insurance claim receivables of N190 million, agreed as full and final settlement subsequent to year end. There are no inventories pledged as security.

	2017 N'000	2016 N'000
12. Trade receivables		
Trade receivables	1,005,695	1,086,815
Impairments allowance (Note 12.1)	<u>(507,377)</u>	<u>(287,377)</u>
	<u>498,318</u>	<u>799,438</u>
12.1 Impairments allowance		
At 1 October	287,377	726,878
Write off in the year	-	(580,475)
Charge during the year	<u>220,000</u>	<u>140,974</u>
At 30 September	<u>507,377</u>	<u>287,377</u>

Trade receivables are stated at fair value and subsequently measure at amortised cost, less provision for impairment. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.



13. Other current assets

	2017 N'000	2016 N'000
Staff loans	8,997	10,540
Sundry receivable	-	5,055
Other trade receivable (Note 13.1)	26,975	-
Due from related parties	-	13,745
Prepayments	14,330	15,078
Receivable from insurance company (Note 13.2)	190,034	-
Withholding tax recoverable	30,086	38,672
Advances to suppliers	40,977	29,027
Impairments (Note 13.3)	-	(18,800)
	<u>311,399</u>	<u>93,317</u>
Sundry receivable (Note 13.3.1)	5,055	-
Due from related parties (Note 13.3.2)	13,745	-
	<u>18,800</u>	<u>-</u>
Impairments written off	(18,800)	-
	<u>-</u>	<u>-</u>

13.1 Other trade receivables represent finished product bought and sold by Neimeth, but returned by customer for poor quality. However, the seller of the products has been notified and has promised to replace it.

13.2 This amount represent receivable from insurance company in respect of fire incident that gutted the company's warehouse at Oregon during the year under review.

13.3.1 Sundry receivable represent unpaid staff loan, these staff has left the service of the company and the amount has been written off in the year.

13.3.2 Due to related party represent the net balance after incorporating WHL balances into Neimeth record. The amount has been written off during the year under review.

14. Cash and cash equivalents**14.1 As per statement of financial position**

	2017 N'000	2016 N'000
Cash in hand	1	91
Cash in banks	97,035	274,309
Fixed deposit	90,975	292,449
	<u>188,011</u>	<u>566,849</u>

14.2 As per statement of cash flow

Cash and bank balances (Note 14.1)	188,011	566,849
Bank overdrafts (Note 17.1)	(73,090)	-
	<u>114,921</u>	<u>566,849</u>

15. Borrowings

Term loans (Note 15.1)	<u>794,279</u>	<u>936,710</u>
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15.1 Movement in term loans

At 1 October	768,752	353,645
Additions in the year	17,493	255,403
Repayment during the year	(110,346)	(81,366)
Exchange (gain)/loss	(56,531)	241,070
	<u>619,368</u>	<u>768,752</u>
Other loan (Note 15.4)	174,911	167,958
At 30 September	<u>794,279</u>	<u>936,710</u>



15.1.1 Analysed into:**Current**

Diamond
GT term loan
REAN
DAEWOO
Other loan

2017
N'000

2016
N'000

91,617

81,436

-

10,342

6,123

7,738

521,628

578,157

491

538

619,859

678,211

15.1.2 Non-current:

Diamond
Other loan

-

91,079

174,420

167,420

174,420

258,499

794,279

936,710

15.2 Term loans**2017**

Daewoo Securities (Europe) Limited (Note 15.3.1)
REAN Finance Company Limited
Guaranty Trust Bank Plc (Note 15.3.2)
Diamond Bank (Note 15.3.3)

521,628

578,158

6,123

7,738

-

10,341

91,617

172,515

619,368

768,752

174,911

167,958

794,278

936,710

Other loan (Note15.4)

15.3 Term loans relate to:**15.3.1 Daewoo Securities**

400 million Japanese Yen (JPY) zero coupon bond at 7.5% per annum issued by the Company in 2007 financial year. The bond due by 2014 (but was recalled in January, 2008) with options to subscribe ordinary shares of the Company to Daewoo Securities (Europe) Limited. JPY 260million had been repaid leaving outstanding JPY 140 million.

The outstanding balance of JPY 192,276,736 (comprising principal JPY 140million, interest JPY 52 million). has been translated at Central Bank of Nigeria (CBN) ruling rate as at 30 September, 2017.

15.3.2 Guaranty Trust Bank Plc

Included in the term loan is an Guaranty Trust Bank loan with repayment period of 2 years at 21% interest rate.

15.3.3 Diamond Bank

This represents N212.8 million naira term loan obtained from diamond bank. The loan is for a 30 months repayment period with 21% interest rate. The loan was obtained for the purpose of refinancing the company's obligation to Daewoo securities limited. Security for the loan is Mortgage debenture on the company assets with Diamond Bank as the first loss payee.



	2017 N'000	2016 N'000
15.4 Other loan		
At 1 October	167,958	173,269
Addition during the year	7,491	538
Payment during the year	(538)	(5,849)
At 30 September	<u>174,911</u>	<u>167,958</u>
Other loan represents amount received from some shareholders, repayable as at when due. It attracts 14% interest per annum.		
16. Trade and other payables		
Trade payables	21,657	12,367
Other accruals	19,484	41,283
Statutory deductions (WHT Payable)	42,692	41,443
Royalties	53,844	53,596
Dividend payable	14,675	14,675
Other payables	52,352	13,705
Accounts payable (16.1)	76,260	5,071
	<u>280,964</u>	<u>182,140</u>
Trade payables are stated at their original invoice value, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.		
16.1		
1st October	5,071	5,071
Provision	7,851	-
Reclassification (Note 16.1.1)	78,301	-
Payment	(14,963)	-
At 30 September	<u>76,260</u>	<u>5,071</u>
16.1.1		
The company discontinued provision for gratuity in 2007. The balance is due to employees who are entitled to gratuity as at 2007 and is to be paid whenever they disengage from the service of the company. However, due to reconciliation carried out during the year, N78.3million was reclassified to gratuity payable from pension payable.		
16. Current borrowing		
Bank overdraft (Note 17.1)	73,090	-
Import finance facilities (Note 17.2.1)	74,113	121,610
	<u>147,203</u>	<u>121,610</u>
17.1		
N100million overdraft facilities was obtained from Diamond Bank on May 10 2017, to finance the working capital of the company. The tenor of the overdraft is 365 days with 180 days clean up cycle with an interest rate of 23%. Repayment is the cash flow from company's business operation.		
17.2		
1st October	121,610	53,827
Additions in the year	348,248	143,484
Repayment during the year	(395,745)	(75,701)
At 30 September	<u>74,113</u>	<u>121,610</u>



	2017 N'000	2016 N'000
17.2.1 N300 million LCFF upon maturity, obtained from Diamond Bank to part finance the direct importation of pharmaceutical raw material and finished products, and for local purchases. The tenor is 365 days at an interest rate is 23% per annum. \$937,500 dollars was obtained from Diamond bank on 10 May, 2017 to established letter of credit for the direct importation of Pharmaceutical raw materials and finished products. Tenor is 365 at an interest rate of 14.5% per annum.		
18. Define contribution plan		
At 1 October	83,420	89,244
Provision for the year (Note 18.1)	87,545	45,669
Reclassification (Note 16.1.1)	(78,301)	-
Payment during the year	(45,592)	(51,493)
At 30 September	<u>47,072</u>	<u>83,420</u>

18.1 During the year, PENCOM carried out assessment that resulted into additional provision of N38,020,255 (outstanding principal contribution: N5,301,566 and penalty N32,718,689).

19. Maturity profile of financial liabilities

	Due within			Total N'000
	Below one year N'000	one - five years N'000	five years and above N'000	
2017				
Current borrowing	147,203	-	-	147,203
Trade and other payables	280,964	-	-	280,964
Finance lease obligation	38,635	50,485	-	89,120
Term loans	619,859	174,420	-	794,279
	<u>1,086,661</u>	<u>224,905</u>	<u>-</u>	<u>1,311,566</u>
2016				
Current borrowing	121,610	-	-	121,610
Trade and other payables	182,140	-	-	182,140
Finance lease obligation	9,755	-	-	9,755
Term loans	678,211	258,499	-	936,710
	<u>991,716</u>	<u>258,499</u>	<u>-</u>	<u>1,250,215</u>

	2017 N'000	2016 N'000
20. Movement in current tax liability		
At 1 October	67,693	69,559
Payment in the year	(12,757)	(10,631)
Charge for the year (Note 22)	6,564	8,765
At 30 September	<u>61,500</u>	<u>67,693</u>

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.



	2017 N'000	2016 N'000
21. Deferred tax liability		
At 1 October	54,849	33,346
Charge for the year	-	21,503
At 30 September	<u>54,849</u>	<u>54,849</u>

21.1 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	
	2017 N'000	2016 N'000	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Property, plant and equipment	-	-	75,962	95,058	75,962	95,058
Exchange gain/(loss)	-	-	81,462	(58,969)	12,133	(58,969)
Provisions/unrecoup loss/capital allowce.	-	26,815	-	-	(271,638)	(47,932)
	-	26,815	157,424	36,089	(183,543)	(11,843)
Tax liability carried forward	-	-	-	-	-	-
Tax liability brought forwards	-	-	-	-	54,849	33,346
Movement in deferred tax (asset)/liability	<u>-</u>	<u>26,815</u>	<u>157,424</u>	<u>36,089</u>	<u>(238,392)</u>	<u>21,503</u>

The Company has adopted the International Accounting Standard IAS 12 deferred taxation. The Computation of the deferred taxation resulted in deferred tax asset of N183,542,452 which is not recognised in these financial statements, as it is not probable that taxable profit will be available in the foreseeable future against which the timing differences can be utilised.

	2017 N'000	2016 N'000
22. Current tax		
Minimum tax	6,564	8,765
Education tax	-	-
	<u>6,564</u>	<u>8,765</u>
Deferred taxation (Note 21)	-	21,503
As per statement of profit or loss and other comprehensive income	<u>6,564</u>	<u>30,268</u>

The minimum tax charged is based on the assessable loss for the year ended 30 September 2017 which is in line with section 28A (3b) of Companies Income Tax Act, CAP C21, LFN 2004 as amended.

22.1 Reconciliation of effective tax rate

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

(Loss)/profit before tax	<u>(404,920)</u>	<u>95,361</u>
Tax thereon @ 30%	-	-
Deductible items	-	-
Balancing charge	-	-
Capital allowance	-	-
Education tax	-	-
Minimum tax	6,564	8,765
Deferred tax effect	-	21,503
Tax expense for the year	<u>6,564</u>	<u>30,268</u>
(Loss)/profit after tax	<u>(601,518)</u>	<u>65,093</u>



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

	2017 %	2016 %
Tax rate	30	30
Deductible items	-	-
Balancing charge	-	-
Capital allowance	-	-
Education tax	-	-
Deferred tax effect	-	1
Total effective tax rate	<u>30</u>	<u>31</u>

23. Finance lease obligation

	N'000	N'000
At 1 October	19,891	22,133
Additions in the year	92,813	25,273
Repayment in the year	(23,584)	(27,515)
At 30 September	<u>89,120</u>	<u>19,891</u>
Analysed into:		
Current portion	38,635	9,755
Non Current portion	50,485	10,136
	<u>89,120</u>	<u>19,891</u>

24. Ordinary shares**24.1 Authorised:**

2,000,000,000 ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>
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24.2 Issued and fully paid:

1 October	784,776	784,776
Bonus issue transfer from share premium (Note 24.2.1)	78,478	-
At 30 September	<u>863,254</u>	<u>784,776</u>

24.2.1 At the board meeting of 5th December 2016, it was resolved that there should be a bonus issue of 1 for every 10 shares held. This was subsequently ratified by the shareholders at the Annual General Meeting held on 7th February, 2017 and filled with the Corporate Affairs Commission on 7th of April 2017.

24.3 Share premium

1st October	1,197,933	1,197,933
Bonus issue transfer to ordinary share	(78,477)	-
Bonus issue cost	(5,567)	-
At 30 September	<u>1,113,889</u>	<u>1,197,933</u>

25. Accumulated loss

At 1 October	(760,291)	(825,384)
(loss)/profit for the year	(411,484)	65,093
At 30 September	<u>(1,171,775)</u>	<u>(760,291)</u>

26. Segment information**26.1 Operating segments**

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

Pharmaceuticals product group:

This include the marketing and sales of the Company's branded products and the products under the consumer product group.

Animal health product group:

This include the marketing and sales of poultry and large animal range of anthelmintics as well as production enhancing medicaments.

Pharmaceuticals	1,498,027	1,976,379
Animal health	35,976	25,436
	<u>1,534,003</u>	<u>2,001,815</u>



	2017 N'000	2016 N'000
26.2 Geographical segment		
The Company operates in two geograph regions namely Nigeria and Ghana.		
Nigeria	1,489,212	1,984,427
Ghana	44,791	17,388
	<u>1,534,003</u>	<u>2,001,815</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.		
27. Cost of sales		
Opening raw material	457,310	476,490
Purchases	505,031	650,292
Raw material at 30 September	<u>(343,438)</u>	<u>(457,310)</u>
Materials consumed	<u>618,903</u>	<u>669,472</u>
Factory overhead expenses		
Production salaries and wages	127,924	112,329
Power and fuel	38,664	40,599
Inventory cost variances	(268,150)	(192,869)
Factory other expenses	67,138	52,611
Depreciation: - Plant and machinery	49,953	49,953
- Building	7,823	1,919
Obsolete, excess inventory recovery	(23,295)	29,495
Physical inventory adjustment	(14,290)	13,249
	<u>(14,233)</u>	<u>107,286</u>
	<u>604,670</u>	<u>776,758</u>
28. Marketing and distribution expenses		
Employee cost	134,661	108,561
Transport and travelling	40,670	71,009
Advert and promotions	64,546	95,748
Depreciation of motor vehicle	51,800	31,496
Communication and Subscription	736	440
Gift and donation	712	402
Printing and stationeries	469	433
Rent and rate	13,415	513
Product registration expenses	1,671	580
Training and seminar	1,480	105
Medical expenses	58	46
Energy cost	2,663	4,255
Repairs and maintenance	3,043	1,691
Telephone and postages	1,074	900
Corporate expenses	3,305	3,762
Others	772	2,348
	<u>321,075</u>	<u>322,289</u>



	2017 N'000	2016 N'000
29. Administration expenses		
Employee costs	199,087	134,512
Impairment allowance for trade and other receivables	220,000	159,774
Bad debt written off	883	47,280
Corporate expenses	9,530	14,187
Transport and travelling	53,654	29,303
Legal, consultancy and professional fees	15,186	21,159
Energy cost	14,671	7,978
Rent and rate	336	583
Bank charges and commission	20,239	20,549
Insurance	13,533	13,493
Repairs and maintenance	11,411	8,887
Printing and stationeries	3,615	1,204
Training and seminar	5,855	1,409
Conference and meetings	29,858	17,992
Medical expenses	9,385	10,750
Telephone and postages	9,586	2,658
Communication and Subscription	5,712	7,750
Gift and donation	-	282
Depreciation of office and computer equipment	7,419	4,930
Audit fee	7,700	7,700
Others (note 29.1)	14,217	15,025
	651,877	527,405
29.1 Others represent public relation expenses, clinical laboratory equipment and security expenses.		
30 Inventory written off		
Raw material destroyed by fire	513,007	-
Insurance claim receivable	(190,034)	-
	322,973	-
N323 million represents the value of the inventories written off as a result of fire incident that gutted the company's Oregon warehouse during the year after considering the N190 million agreed as full and final settlement from the insurance company as claim subsequent to year end.		
31 Net foreign exchange loss		
Gain on currency translation	(40,446)	(44,506)
Loss on currency translation	-	241,070
	(40,446)	196,564
32 Other income		
Gains on disposal of property, plant and equipment	905	1,304
Provision no longer required	-	3,998
Sundry receipts (Note 32.1)	915	856
Other finance income	3,673	-
	5,493	6,158
33 Finance costs		
Interest on term loans	68,590	63,827
Interest on debenture	-	21,112
Interest on lease	15,676	4,656
	84,266	89,595

	2017 N'000	2016 N'000
34 Decrease/(increase) in operating assets		
Inventories	37,026	43,542
Trade receivables	(1,534,003)	(2,587,794)
Other assets	(177,637)	13,741
	<u>(1,674,614)</u>	<u>(2,530,511)</u>
35 Increase/(decrease) in operating liabilities		
Trade and other payables	1,956,083	1,663,707
Import finance facilities	(47,497)	110,378
	<u>1,908,586</u>	<u>1,774,085</u>
36 Cash flow (used in)/generated from operations		
(Loss) /profit after taxation	<u>(411,484)</u>	<u>65,093</u>
Adjustments to reconcile (loss)/profit to net cash operating activities:		
Depreciation of property, plant and equipment (Note 8 & 9)	116,998	88,302
Finance costs (Note 33)	84,266	89,595
Impairment of trade receivables (Note 12.1)	220,000	159,774
Exchange (gain)/loss on currency revaluation (Note 31)	(40,446)	196,564
Gain on disposal of property, plant and equipment	(905)	(1,304)
Write back of provisions (Note 32)	-	3,998
Current income tax expenses	6,564	8,765
Interest on other loans	21,910	21,643
Interest payment on other loans	(21,958)	(24,742)
Deferred tax expenses	-	21,503
(Decrease)/increase in employee benefits	9,244	45,669
Increase in operating assets (Note 34)	(1,674,614)	(2,530,511)
Increase in operating liabilities (Note 35)	1,908,586	1,774,085
Total adjustments	<u>629,646</u>	<u>(146,658)</u>
Cash from/(used in) operations	<u>218,162</u>	<u>(81,565)</u>
37 Basic earnings/(loss) per share		
Earnings per share (basic) have been computed for each year on the loss 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>(411,484)</u>	<u>65,093</u>
Number of shares	<u>1,726,508</u>	<u>1,569,552</u>
(Loss)/earnings per share (kobo)	<u>(24)</u>	<u>4</u>
38 Information regarding directors and employees		
38.1 Directors' emoluments		
Remuneration paid to the company's Directors (excluding pension contribution) were:		
Fees:		
- Chairman	500	500
- Other Directors	3,200	3,200
- Sitting allowance (per sitting)	50	50
Emolument of executive directors	53,139	30,542
	<u>56,889</u>	<u>34,292</u>



	2017 N'000	2016 N'000
38.2 Fees and other emoluments (excluding reimbursable expenses disclosed above include amount paid to:		
Chairman	500	500
Highest paid director	17,475	17,475
38.3 Scale of directors' remuneration		
The number of Directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses in the following range were:		
	Number	Number
Below - 2,500,000	-	-
2,500,001 - 5,000,000	-	-
5,000,001 - 7,500,000	-	-
7,500,001 - 10,000,000	-	-
10,000,001 - 12,500,000	1	1
Above 12,500,001	1	1
	<u>2</u>	<u>2</u>
The number of directors who received emoluments	2	2
The number of directors who did not received emoluments	9	9
38.4 Personnel compensation	N'000	N'000
Personnel compensation comprised:		
Short-term employee benefits	429,471	309,733
Contribution to compulsory pension fund scheme	32,201	45,669
	<u>461,672</u>	<u>355,402</u>
Analysis by function:		
Production	127,924	112,329
Marketing and distribution	134,661	108,561
Administration	199,087	134,512
	<u>461,672</u>	<u>355,402</u>
38.5 The average number of persons employed during the year by category:	Number	Number
Management	41	38
Senior staff	93	95
Junior staff	49	55
	<u>183</u>	<u>188</u>
38.6 Scale of employees' remuneration		
	Number	Number
Below - 250,000	-	27
250,001 - 500,000	49	58
500,001 - 750,000	35	43
750,001 - 1,000,000	44	35
1,000,001 - 1,250,000	14	7
1,250,001 - 1,500,000	20	8
Above 1,500,001	21	10
	<u>183</u>	<u>188</u>



39. 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.

40. Capital commitments

The Directors are of the opinion that there were no capital commitments at 30 September 2017 (2016 - Nil).

41. 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 based on the response received from the company solicitors' was Nil as at 30 September 2017 (2016 : N2,600,000).

42. Events after reporting date

Subsequent to year end, N190 million was agreed as full and final settlement in respect of insurance claim on the fire incident that gutted the company's raw material warehouse at Oregon factory.

No other event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be disclosed in the financial statements in the interest of fair presentation of the Company's financial position as at the reporting date or its results for the year then ended.

43. Comparative figures

Certain comparative figures in these financial statements have been reclassified to ensure proper disclosure and uniformity with current year presentation.

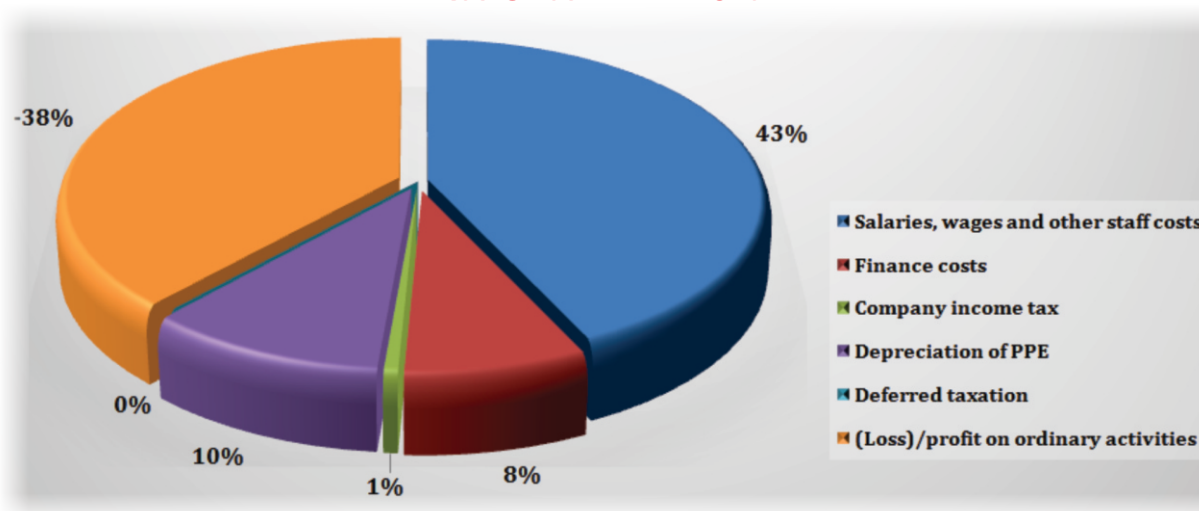




	2017 N'000	%	2016 N'000	%
Turnover	1,534,002		2,001,815	
Other income	5,493		6,158	
	<u>1,539,496</u>		<u>2,007,973</u>	
Cost of goods and services - foreign	(859,650)		(1,159,649)	
Cost of goods and services - local	(427,662)		(219,663)	
Value added	<u>252,183</u>	<u>100</u>	<u>628,662</u>	<u>100</u>
Applied as follows:				
To pay employees:				
Salaries wages and other staff costs	461,672	183	355,403	57
To providers of capital:				
Finance costs	84,266	33	89,595	14
To pay Government:				
Company income tax	6,564	3	8,765	1
To provide for assets replacement:				
Depreciation of property, plant and equipment	111,166	44	88,302	14
Retained for future expansion:				
- Deferred taxation	-	-	21,503	3
- (Loss)/profit suffered on ordinary activities	(411,485)	(163)	65,094	10
Value added	<u>252,183</u>	<u>100</u>	<u>628,662</u>	<u>100</u>

Value added represents the additional wealth, the company 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.

VALUE ADDED - 2017



	I F R S				
	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Statement of financial position					
Property, plant and equipment	568,933	503,173	471,396	541,976	426,045
Intangible assets	24,765	-	-	-	-
Deposit for shares	-	-	-	24,515	24,515
Available for sale assets	-	-	-	-	55,629
Net current assets	491,424	1,042,729	897,036	1,099,542	1,465,385
Non current liabilities	(279,754)	(323,484)	(211,107)	(173,024)	(237,785)
Net assets	805,368	1,222,418	1,157,325	1,493,009	1,733,789
Equity and reserves					
Ordinary shares	863,254	784,776	784,776	784,776	653,980
Share premium reserve	1,113,889	1,197,933	1,197,933	1,197,933	1,197,933
Bonus issue reserve	-	-	-	-	130,796
Fair value reserve	-	-	-	-	12,245
Accumulated loss	(1,171,775)	(760,291)	(825,384)	(489,700)	(261,165)
Total equity and reserves	805,368	1,222,418	1,157,325	1,493,009	1,733,789
Statement of Comprehensive Income					
Turnover	1,534,003	2,001,815	1,460,728	1,628,395	2,016,522
(Loss)/profit before tax	(404,920)	95,361	(315,772)	(198,173)	182,135
Taxation	(6,564)	(30,268)	(19,912)	(30,362)	(51,556)
(Loss)/profit for the year	(411,484)	65,093	(335,684)	(228,535)	130,579
Other comprehensive income/(loss) for the year	-	-	-	-	20,918
Total comprehensive (loss)/income for the year	(411,484)	65,093	(335,684)	(228,535)	151,497
Per share data:					
(Loss)/earnings per share (kobo) - Basic	(24)	4	(21)	(15)	10
Net assets per ordinary share (kobo)	47	78	74	95	136

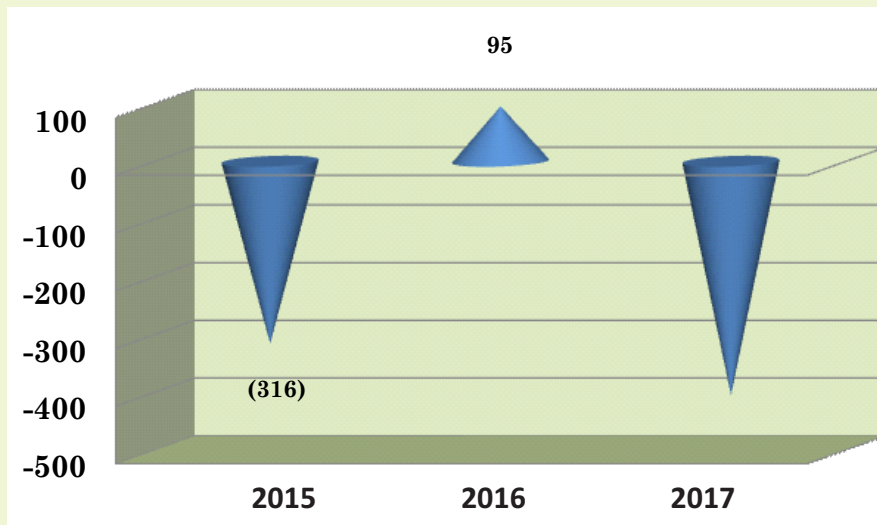
(Loss)/profit per share are based on the profit/(loss) after tax and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

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.

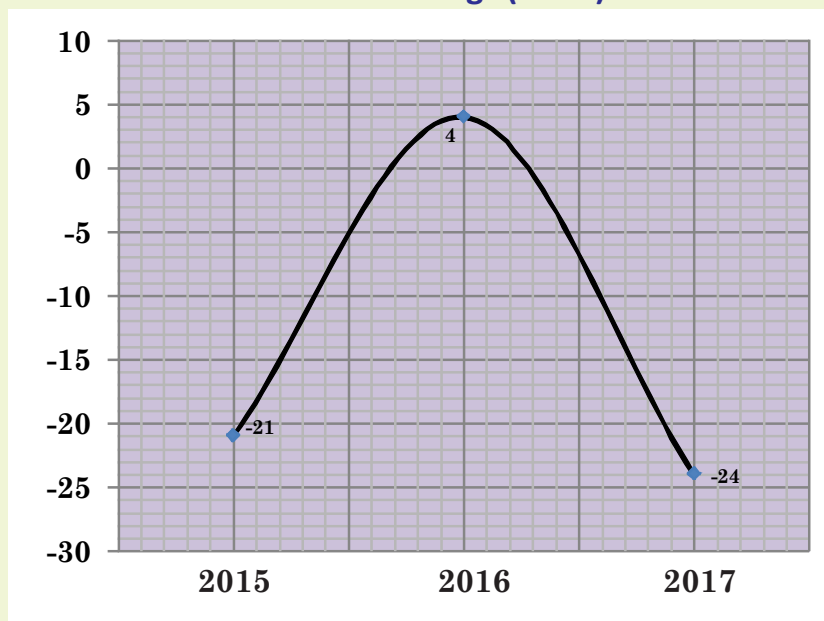




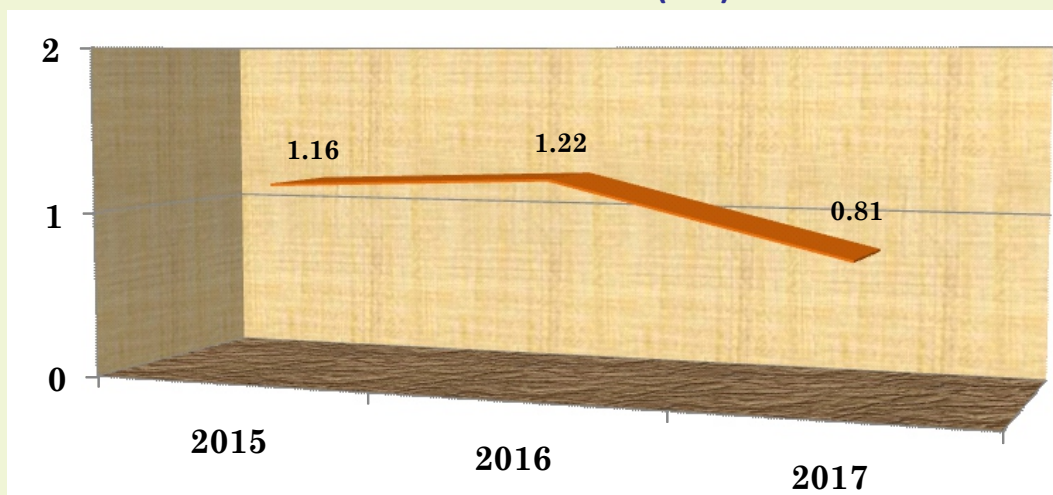
Profit Before Tax (N'm)



Earnings (Kobo)



Shareholders' Funds (N'b)



UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Members are hereby informed that since Pfizer Product Plc became a Public Quoted Company, and subsequent Management Buy Over 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
10	Bonus Issue	2017

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 and Probate
Services Limited
213, Herbert Maculay Way,
Adekunle, Yaba,
Lagos.
Tel: 01-8920491 - 2, 2702361
E-mail: info@meristemregistrars.com

The Company Secretary
Neimeth Int'l Pharms. Plc.
16, Akanni Doherty Layout
(Billings Way) Oregun,
Lagos.
Tel: 08158422346, 08033128663
E-mail: info@neimethplc.com.ng



YEAR	AUTHORIZED		ISSUED AND PAID UP		CONSIDERATION
	N CHANGE	N CUMMULATIVE	N CHANGE	N 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
Feb 2017	-	1,000,000,000	78,477,566	863,253,230	Bonus

Annual General Meeting to be held at 11.00 a.m on Teusday
27th March, 2018 at NECA House, Plot A2, Hakeem Balogun Street,
Central Business District, Alausa, Ikeja, Lagos

I/We _____

of _____

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

.....

Company to be held on 27th March, 2018 and at any adjournment
thereof.

Dated thisDay.....2018

Shareholder's Signature.....

S/N	NUMBER OF SHARE RESOLUTION	FOR	AGAINST
1.	Receive the Report of the Directors, the Statement of Financial Position as at September 30th, 2017, 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.	Ratification of the appointment/Re-election of Directors i. Prof. M. M. Iwu ii. Mr. T. T. Osobu iii. Sir I. T. Onyechi		
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		

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 Tuesday 27th March, 2018 at NECA House, Plot A2, Hakeem Balogun Street, Central Business District, Alausa, 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 as to reach the address on the other side not later than 11.00 a.m. on 27th March, 2018. The company will have a ₦50 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

The name of the Shareholder must be written in BLOCK CAPITALS on the proxy card where marked*.

This Admission Card must be produced by the shareholder or his proxy.

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)

SHAREHOLDERS 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, DETACH AND RETURN TO

Meristem Registrars and Probate Services Limited
213, Herbert Maculay Way,
Adekunle, Yaba, Lagos.

2018

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

Neimeth International Pharmaceuticals Plc
(RC: 1557)

In case of Corporate Shareholder, use company seal.

The Registrar
Meristem Registrars and Probate
Services Limited
213, Herbert Maculay Way,
Adekunle, Yaba, Lagos.



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