



NEIMETH INTERNATIONAL  
PHARMACEUTICALS PLC

# Annual Report & Accounts 2015



*Innovatively  
Enriching  
Lives*

# Vision

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

# Mission

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



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Enquiries: 08158422346, 08022479828



Mazi Sam I. Oluwabunwa (OFR)



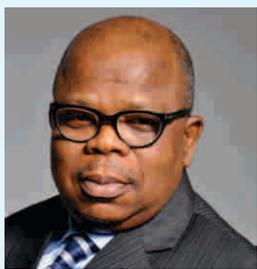
Sir Ike T. Onyechi



Prof. Maurice M. Iwu



Ebere Igboko Ekpunobi (Ph.D) - Ag.MD/CEO



Mr. Christopher U. Mmeje



Mr. Adekola O. Balogun



Dr. A.B.C Orjiako (OFR)



Engr. Godwin E. Omene



Mr. Thomas T. Osobu



Prof. Elijah N. Sokomba



Godfrey N. Oluwabunwa

## Dr. A.B.C Orjiako – Chairman

Dr. A. B. C. Orjiako became Chairman of the Board of Directors of Neimeth on the 1<sup>st</sup> 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.

## Ebere Igboko Ekpunobi (Ph.D) – Ag.MD/CEO

Ebere Igboko Ekpunobi (Ph.D) joined Neimeth in 2015 as Deputy Managing Director, and was appointed Acting MD/CEO of Neimeth International Pharmaceuticals Plc in November, 2015, to be confirmed substantive MD/CEO effective March 1, 2016. Dr. Igboko Ekpunobi obtained a Bachelor of Pharmacy degree from the University of Nigeria Nsukka and a Master of Science degree from Purdue University, West Lafayette, Indiana USA. She holds a Doctorate degree in Pharmacy Administration with emphasis in Pharmaceutical Marketing and Pharmaco-economics, from Purdue University.

Her pharmaceutical industry career spans a wide spectrum of functional areas across several continents – Africa, North America, Europe, and Asia. She has held different leadership positions in marketing, corporate strategy and, across several therapeutic areas – HIV, malaria, oncology, neurosciences, immunology etc.

Dr. Igboko Ekpunobi was the first Product Manager for the anti-retroviral drug, zidovudine (Retrovir®) and led the strategic development of a portfolio of subsequent anti-retroviral medicines still used in treating patients. She was selected as the Project Leader for CHORUS (Collaborations in HIV Research in US), and has authored and co-authored over 50 publications, abstracts, and presentations.

Glaxo SmithKline executive management board selected Dr. Igboko Ekpunobi to establish and lead a new organization in Shanghai, China which formed a part of Glaxo SmithKline's major Hub in Asia. She led a team of senior scientists to identify new research ideas for GSK which yielded several commercially viable ideas. As a result of her innovative leadership she is a co-inventor on two patent applications filed by GSK on the use of CXCR2 antagonists in the treatment of chemotherapy induced neuropathy, a disease of high unmet medical need. Her personal interests include reading, writing and learning Mandarin Chinese.

## Mazi Sam Oluabunwa (OFR)

Having led the MBO of Pfizer in 1997, Mazi Sam Oluabunwa 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 Oluabunwa 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 Oluabunwa 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.

## Sir Ike Onyechi

He joined the Board on the 20<sup>th</sup> 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.

## Prof. Maurice M. Iwu

He joined the Board on the 20<sup>th</sup> 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 (BDCCP) 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.

## Mr. Christopher U. Mmeje

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

## Mr. Adekola A. Balogun

He was invited on the Board on the 24<sup>th</sup> 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.

## Engr. Godwin E. Omene

He was invited on the Board on the 25<sup>th</sup> 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.

## Mr. Thomas T. Osobu

He was invited on the board on the 20<sup>th</sup> 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.

## Prof. Elijah N. Sokomba

He was invited to the Board on the 25<sup>th</sup> 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.

## Sir Godfrey N. Oluabunwa

Sir Godfrey Nnamdi Oluabunwa obtained a Bachelor of Arts Degree (BA.Hons) in English Language and Post Graduate Diploma (PGD) in Applied Theology. He studied Television Technology at the BBC Training School in Worcester, UK., and is a Fellow of African Business School (FAB), Fellow Nigerian Institute of Sales Management (FNISM) and Alumnus of the Prestigious Harvard Business School, Boston.

Sir Godfrey Nnamdi Oluabunwa is the immediate Past President of the Port Harcourt Chamber of Commerce, industry, Mines and Agriculture. Chairman Diocesan Investment Committee, Chairman Deanery Missions Board, A member of the National Association of Broadcasters (NAB), Member International Association of Chiefs of Police (NACP), and International Member National Geographic society. Godfrey Oluabunwa is a consummate entrepreneur, and is today the Group Managing Director and Chief Executive Officer of Multimesh Group of companies. He has made tremendous success in his various fields of business endeavours, which include Telecommunications, Petroleum, Broadcasting and Hospitality business.

Sir Godfrey joined the Board on the 24<sup>th</sup> of February, 2004.



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...Expels 6 commonly occurring intestinal worms in a single dose. Pyrantrin, the effective worm expeller for the whole family



<b>DIRECTORS:</b>	Dr. A. B. C. Orjiako	Chairman
	Mr. Emmanuel P. Ekunno	MD/CEO - Retiring 29/2/2016
	Ebere Igboko Ekpunobi (Ph.D)	Ag. MD/CEO
	Mr. C. U. Mmeje	Executive
	Mazi S. I. Ohuabunwa	Non-Executive
	Mr. A. O. Balogun	Non-Executive
	Sir. G. N. Ohuabunwa	Non-Executive
	Engr. G. E. Omene	Non-Executive
	Prof. E. N. Sokomba	Non-Executive
	Prof M. M. Iwu	Non-Executive
	Sir. I. T. Onyechi	Non-Executive
	Mr. T. T. Osobu	Non-Executive

**SECRETARY:** Mrs. F. I. Onyenekwe  
**REGISTERED OFFICE:** 1, Henry Carr Street  
Ikeja Industrial Estate, Ikeja.  
Telephone: 08158422346, 08033128663  
E-mail: [info@neimethplc.com.ng](mailto:info@neimethplc.com.ng)  
Website: [www.neimethplc.com.ng](http://www.neimethplc.com.ng).

**AUDITORS:** PKF Professional Services  
PKF House, 205A Ikrodo Road Obanikoro, Lagos.  
018042074, 017734940, 017748366

**REGISTRARS:** Meristem Registrars Limited  
213, Herbert Macaulay Way  
Adekunle – Yaba, Lagos.  
Telephone Nos: 01-8920491 – 2  
E-mail: [info@meristemregistrars.com](mailto: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](mailto:dec8_2000@yahoo.com)  
Telephone: 08033063829

**BANKERS:** Diamond Bank Plc  
Guaranty Trust Bank Plc



## MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS:

	Year ended 30-Sept-15 N'000	Year ended 30-Sept-14 N'000	% Change
<b>Turnover</b>	1,460,728	1,628,395	(10)
(Loss)/Profit before taxation	(315,772)	(198,173)	(60)
(Loss)/Profit after taxation	(335,684)	(228,535)	(47)
Share Capital	784,776	784,776	-
Shareholders' funds	1,157,325	1,492,009	(22)

## Per Share Data:

Earnings per share (Kobo) (Basic)	(21)	(15)
Dividend per share (Kobo)	-	-
Net assets per share (Kobo)	74	95
Number of employees	231	246
Market price as at 30 <sup>th</sup> September	1.02	1.06



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the 57<sup>th</sup> Annual General Meeting of the members of NEIMETH INTERNATIONAL PHARMACEUTICALS PLC. will be held at Oranmiyan Hall, Lagos Airport Hotel Limited, 111 Obafemi Awolowo Way, Ikeja, Lagos on Tuesday, 22nd March, 2016 at 11.00 a.m. in the forenoon to transact the following report businesses:**

## **ORDINARY BUSINESS:**

1. Receive Report of the Directors, Statement of Financial Position as at September 30<sup>th</sup>, 2015 together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.
2. Re-elect Directors
3. Approve the remuneration of Directors
4. Authorize the Directors to fix the remuneration of the Auditors for the ensuing financial year
5. Elect members of the Audit Committee

## **NOTES:**

### **1. PROXY:**

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

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

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

The Register of members and Transfer Books of the Company will be closed on Friday, 11<sup>th</sup> March, 2016 and re-opened on Tuesday, 15<sup>th</sup> March, 2016 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 5<sup>th</sup> day of February, 2016



**F. I. ONYENEKWE (MRS.)**

Company Secretary  
FRC/2014/ICAN/00000010082  
Registered Office  
1, Henry Carr Street, Ikeja.



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Preferred by teaching Hospitals  
Nationwide

A Pragmatic treatment of black  
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Diuresis

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# Normoretic\*

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NIGERIA**

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WITH REPUTATION IN

cardiovascular  
medicine



...a growing reputation in cardiovascular medicines

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**D**istinguished shareholders, members of the Board, invited guests, gentlemen of the press, Ladies and Gentlemen. I have the pleasure to welcome you to the 57<sup>th</sup> Annual General Meeting of your company to consider the reports and results for the period ended September 2015.

## THE OPERATING ENVIRONMENT

The cloud of global economic slide that was discernable from 2014 began to drop the dews of economic reversal for most regions and countries of the world in 2015. Whereas 2014 ended with oil prices at above USD77 per barrel; by the close 2015 oil price had come as low as USD40 a barrel. The World Bank's economic outlook that 2014 was to berth a succeeding year that would consolidate the world economic recovery of the preceding five years became an empty gong of unrealised expectation. The Chinese economy that had provided recovery pull to the world began to decline. From annual growth expectation of 7% for 2015 it only achieved 6.81%; for the first time in over a decade falling below 7% annual growth that was considered watershed growth level for economic stability in China. Hence the negative reverberations its slowdown has had on other world economies. Although the US economy managed to hold fort at 2.4% growth in 2015, none of the three largest economies of Europe—Germany, Italy and France could attain 2% growth in 2015. It was for Europe a mixed bag of near zero growth and marginal accretion.

Global conflicts in the Middle East and other centres of religious terrorism kept world leaders focused on conflict management and resolution. At the World Economic Forum in Davos in 2015, world leaders spent more time on conflicts in Ukraine, Syria, Iran, ISIS in the Middle East and elsewhere. The deteriorating world economy and the need for world economic growth received less attention. It will not be prophetic to predict that poverty in many regions of the world will most likely fester in the near term.

The Nigerian economy that was expected to benefit from orderly transfer of governance after the successful democratic election in which the opposition defeated the incumbent, is unfortunately in decline. Against its opening position in January 2015, the announcement of the Federal election result drove the Nigerian Stock Exchange up 15.32% by May 2015. It not only ended the year wiping off this gain but cascaded to annual loss of 17.36%. The nation's GDP that grew at 6.31% in 2014 shrank to 3.96% growth in 2015. The absence of comprehensive economic vision that should provide centripetal focus for fiscal and monetary strategies has left the economy on the road of piece-meal experimentation. The massive decline in the price of oil, a direct result of the dull economic performance in the major industrial regions highlighted above, the near self-sufficiency in domestic energy requirement in the United States of America all combined to compound our domestic fiscal problems. Perhaps the lesson of saving for the proverbial rainy day may one day be learned by all levels of our public service. The lingering North East religious strife and the looming destabilization in the oil producing areas through renewed restiveness, have all conspired to restore the uncertainties that industries thought would be consigned to history by the successful 2015 elections. The nation's industrial community have returned to the "house of hope".

## THE COMPANY

The Board of your company had early in 2015 emerged from a strategic review session with a three pronged approach to tackle what it rightly foresaw as a period that will threaten the survival of most local industries.

- (i) Undertake surgical overhaul of the corporate structure of Neimeth in such a way that it will refocus the company for meaningful and sustainable growth. I have the pleasure to announce to distinguished shareholders that the appointment of our new Managing Director/Chief Executive Officer (here present) signals the commencement of what I will describe as the reconstruction of your company. The new CEO Mrs. Ebere Igboko-Ekpunobi (Ph.D) comes well prepared and tailor made for the new challenge. She is a pharmacist by education and practice. Mrs. Ebere Igboko-Ekpunobi (Ph.D) obtained her first degree in Pharmacy from the University of Nigeria Nsukka. She later proceeded to USA where she obtained a Doctorate in Pharmacy. May I invite Shareholders to spare few minutes to acquaint themselves with her profile detailed on page 4. Having worked around the world---18 years in USA and 5 years in China--- she earlier worked in Nigeria and is culturally at home. Your Board invested quiet some energy and time to bring back this wonderful lady to implement the second phase of the reconstruction of Neimeth. Mr. Emma P. Ekunno who disengages by 29<sup>th</sup> February, 2016 after attaining the retirement age has worked with your company for 35 years. He became the MD/CEO in 2011 upon the retirement of Mazi Sam Oluwabunwa.
- (ii) Consolidate the company's local research and product development organisation wisdom. Your company has always been in the forefront of researching and developing new pharmaceutical products with relevance to the needs of our country and African region. The Board has therefore strengthened the oversight function for this effort by setting up a special strategy (R&D) committee headed by a member of the Board---a distinguished Professor of Pharmacognosy in the person of Professor Maurice M. Iwu who at various levels had pioneered new product research and development. Professor Iwu will work very closely with the new MD/CEO to realize the Board's vision in this regard. The Board is grateful to Prof. Iwu for accepting this role in-spite of his numerous engagements both private and public.
- (iii) Your Board has authorised management to realign its market participation strategy to deemphasize wide-spread retailing that tend to corrode asset quality and cash flow. This strategy will also free your company to concentrate more on manufacturing and research. Your Board is happy with the result so far reported on the operation of this strategy which commenced in April 2015.

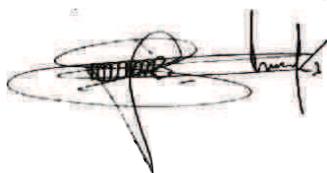
The future of manufacturing in Nigeria will be very challenging in the next few years and will require a coherent national long term industrial development policy initiative by government. To overcome, we have decided to pull our boot straps up and set forth at dawn. (apologies to Prof. Wole Soyinka).

## THE RESULT

The result of 2015 operations that I lay before you is anything but cherry in terms of prospect for dividend. With a decline in sales of 10% over the previous year, a loss of =N=335.7 million after tax; it is my onerous responsibility to inform distinguished shareholders that dividend will again not be possible out of such result. Your Board is however confident that the changes it had put in place will reverse the perennial adversity of the past years.

## CONCLUSION.

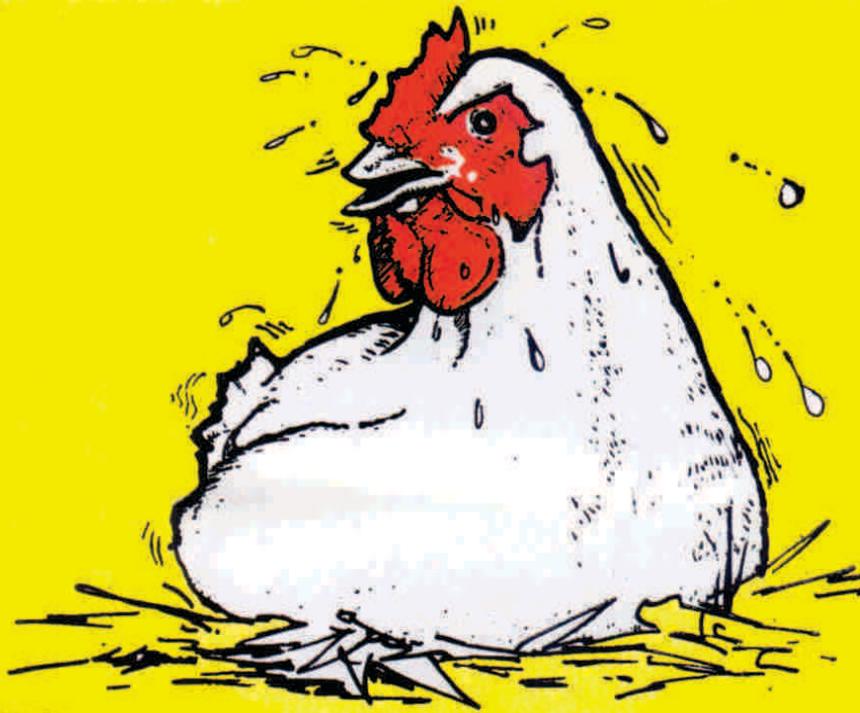
In the past year members of the Board of Directors have demonstrated great commitment to finding solutions to the many challenges of your company. On behalf of the company I wish to thank them for their sacrifices at various committee work and at the Board sessions. I have no doubt their efforts will bear positive fruits in no distant time. I urge the management and staff to double their effort under the new leadership to change the course of the company's fortune. We thank the Almighty God that has preserved us all through the past year.



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

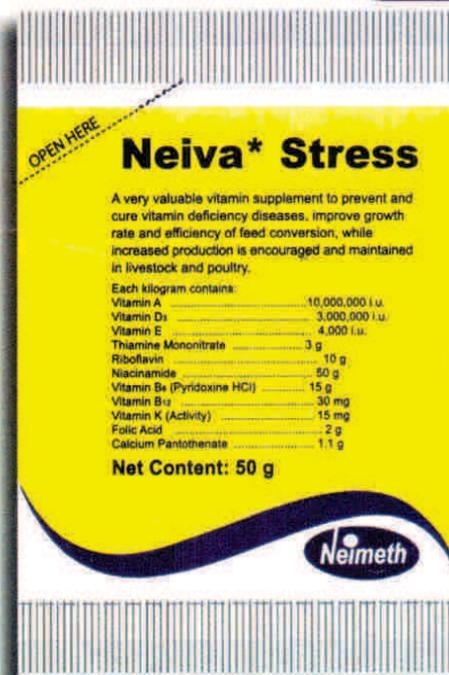
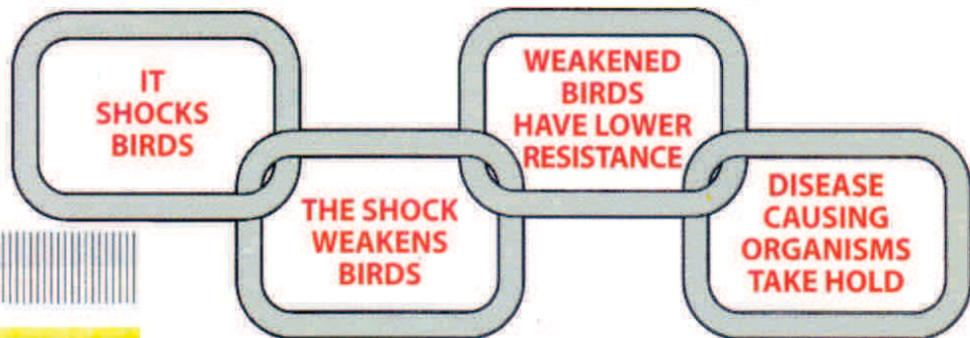


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Better resistance to disease  
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Improved fertility

Reduced mortality  
Improved feed efficiency  
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For further details, contact:



**Neimeth Pharmaceuticals Plc**  
1 Henry Carr Street, Ikeja



**D**istinguished shareholders, Mr. Chairman, members of the Board of Directors, invited guests, ladies and gentlemen of the press, Ladies and Gentlemen. I am pleased to join you at this 57<sup>th</sup> Annual General Meeting of our company to consider the reports and results for the period ended September 2015. As you are all aware I was not a part of this great company during that period but I am grateful for the opportunity I have to stand before you as the MD/CEO at such a time as this. I believe that the Chairman has introduced me, most graciously, and I know that my profile was circulated to the press corps, so kindly allow me focus on the business of Neimeth in the past year, briefly, and more importantly, the future.

The context in which Neimeth PLC operated in 2014/15 business year was a subdued pharmaceutical and healthcare market in Nigeria. Due to several economic and political factors, local and global, the value of the Nigerian Pharmaceutical market continued to hover around the \$1B mark (N200 Billion) (BMI Research, January 2016). There are several external factors which contributed in expanding or constraining the Nigerian Pharmaceutical market during the past business year. Some of the factors include, the growing (urban) population (expanding factor), the dwindling revenue and expenditure

of government on healthcare (constraining factor) and legislation incentivizing importation of finished drug products (constraining factor). This is to mention only a few.

Our corporate turnover of N1.46b show a decline of 10% over N1.6b recorded in 2014. Loss before tax (LBT) stood at N316m and Loss after tax (LAT) at N336m. This poor performance was due to some changes in our strategy, in addition to the impact of the aforementioned constraining factors, during the year under review. The change in business strategy had altered cash credit ratio from 40:60 to 90:10. A key element was our distribution strategy by which over 80% of our products are now sold through a single distributor that pays cash for our drugs. As a compliment of the Board's directive on re-alignment of market participation and also to improve our asset quality, your company had to make the difficult decision of provisioning N290m on weak recoverables – a substantial component of the loss before tax. Neimeth sales representatives are therefore, now required to focus on demand generation to ensure that there is pull through of those products going through a single distributor. Apart from the majority of our products distributed through the one distributor, there remain other key products, such as NCP, for which we use a dedicated field force and agents to ensure success in our effort to reach 30 million Nigerian homes with NCP. The change in strategy in the middle of the financial year brought down turnover drastically but has served to stabilize our liquidity, as most of our sales is now only in cash, and not credit.

There is no doubt that we continue to face business challenges, the least of which is not the escalating foreign exchange rate that impacts the cost of our raw materials and other supplies. We must ride the tide whilst rebuilding our organization. This is not going to be easy but the warm reception I have received from staff and an encouraging performance so far, give me reason for some cautious optimism for the future. In this regard, although a post audit event, our imminent resolution of the long running and debilitating Daewoo debt will relieve our future profits from the hostage of foreign exchange vagrancies. It is my hope that this will also impact positively on the outcome of our future efforts.

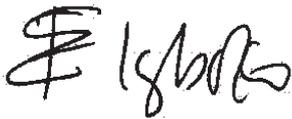


I have identified the following strategic imperatives which will guide our business in the coming year.

1. Revitalize sales and generate more revenue
2. Reduce costs and optimize efficiency
3. Transform Organizational culture towards "A New Neimeth."

As you know our entire country is undergoing tough economic times. Our priority for this year is to weather the current challenges and position Neimeth for growth in the future. Our growth will be hinged on transforming our company culture and the construction of a new manufacturing facility that meets WHO and other global compliance standards.

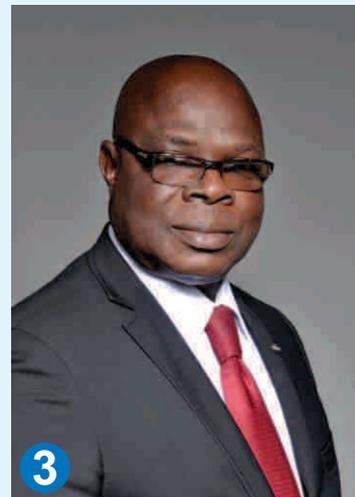
I wish to thank you for your continued support and your confidence in my leadership to deliver better results in the future.



**Ebere Igboko Ekpunobi (Ph.D)**

Ag. MD/CEO





**1** Ebere Igboko Ekpunobi (Ph.D)

**3** Mr. Isaac O. Igbanoi

**5** Pharm. Olurunfemi A. Ojakoya

**2** Mr. Christopher U. Mmeje

**4** Pharm. Roseline A. Oputa

**6** Florence I. Onyenekwe (Mrs)

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

## The Board and Its Committees

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

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

## The Role of the Board

Specific issues reserved to the Board or its committees include:

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

## RECORD OF DIRECTORS' ATTENDANCE

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

## COMMITTEES OF THE BOARD

The Board has a number of committees which advise it on specific issues such as strategic and business development for review. The Board ensures that the company's objectives are implemented through its committees constituted as shown below:

S/No.	Committees	Membership	Status	Number of Meetings Attended			
				Jan. 29 <sup>th</sup> 2015	May 26 <sup>th</sup> 2015	Sept 28 <sup>th</sup> 2015	Nov. 3 <sup>rd</sup> 2015
	<b>Finance/Budget/ Internal Audit</b>						
1		Engr. G. E. Omene	Chairman	Yes	Yes	Yes	Yes
2		Prof. E. N. Sokomba	Member	Yes	No	Yes	No
3		Mr. A. O. Balogun	Member	Yes	Yes	Yes	Yes
4		Mr. C. U. Mmeje	Member	Yes	Yes	Yes	Yes
	<b>Establishment</b>			Jan. 29 <sup>th</sup> 2015	Jun 23 <sup>rd</sup> 2015	Sept 28 <sup>th</sup> 2015	Nov. 3 <sup>rd</sup> 2015
1		Eng. G. E. Omene	Chairman	Yes	Yes	Yes	Yes
2		Prof. E. N. Sokomba	Member	Yes	No	Yes	No
3		Mr. A. O. Balogun	Member	Yes	Yes	Yes	Yes
4		Mazi S. I. Ohuabunwa	Member	No	No	No	No
	<b>Innovation/Research</b>			Nov. 14 <sup>th</sup> 2014	Jan. 7 <sup>th</sup> 2015	Feb 5 <sup>th</sup> 2015	May. 12 <sup>th</sup> 2015
1		Prof. M. M. Iwu	Chairman	Yes	Yes	Yes	Yes
2		Mazi S. I. Ohuabunwa	Member	Yes	Yes	Yes	Yes
3		Mr. T. T. Osobu	Member	Yes	Yes	Yes	Yes
4		Sir I. T. Onyechi	Member	No*	Yes	No*	Yes
5		Sir G. N. Ohuabunwa	Member	No	No	No*	Yes
6		Mr. A. O. Balogun	Member	Yes	Yes	Yes	Yes



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 2016 Annual General Meeting.

Members of the committee with meetings attended

S/No	Membership	Status	Number of Meetings Attended				
			May 20 <sup>th</sup> 2015	Jul 15 <sup>th</sup> 2015	Sept 29 <sup>th</sup> 2015	Dec. 7 <sup>th</sup> 2015	Fed. 2 <sup>nd</sup> 2016
1	Dr. M. O Ojinka	Chairman/S.Rep	Yes	Yes	Yes	Yes	Yes
2	Chief T.A Okoronkwo	S/holders .Rep	Yes	Yes	No	No	No
3	Alh. A. O Ajagun	S/holders .Rep	Yes	Yes	Yes	Yes	Yes
4	Mr. A. O. Balogun	Director	Yes	Yes	Yes	Yes	Yes
5	Engr. G. E. Omene	Director	Yes	Yes	Yes	No	Yes
6	Sir T. I. Onyechi	Director	Yes	No	No	Yes	No

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

## UNCLAIMED DIVIDEND

Total unclaimed dividend fund in the company stood at approximately N14,675,009.72 as at 30th September, 2015.

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. As part of the strategy to create additional value for our shareholders, and in line with our commitment to good corporate governance, we request all shareholders to complete the detachable form for e-bonus to enable us credit their account through Central Securities Clearing System (CSCS). The completed form will provide our Registrar, Meristem Registrars Limited with the shareholders' CSCS account.

## 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 16<sup>th</sup> 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 Complaints 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.  
1, Henry Carr Street, Ikeja  
P. M. B. 21111  
Lagos State  
Telephone: +234 815 842 2346, 08033128663  
E-mail: info@neimethplc.com.ng or florence.onyenekwe@neimethplc.com.ng

This Policy shall be made available on the company's website (www.neimethplc.com.ng)



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



**27** Unique uses and still counting...



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



...healthy mother, healthier baby

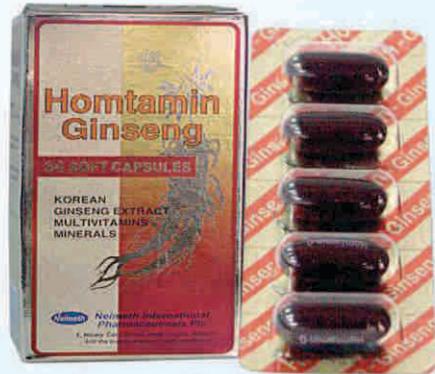


**1<sup>st</sup>** Natural Nutritional Supplement in the Management of sickle cell disorder

Ciklavit...differentiates us, local content, global product.



...dissolves fast, so relieves fast



..the complete stress buster



QMS-ISO 9001:2008  
Certificate No:0000296



EMS-ISO 14001:2004  
Certificate No:4024

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



**Neimeth International Pharmaceuticals Plc**  
1, Henry Carr Street, P.M.B. 21111, Ikeja, Lagos  
E-mail: [info@neimethplc.com.ng](mailto:info@neimethplc.com.ng) Website: [www.neimethplc.com.ng](http://www.neimethplc.com.ng)

**N**eimeth International Pharmaceuticals Plc became an indigenous Pharmaceuticals manufacturing and distribution Company following a Management Buy-Out of the 60% equity holding of Pfizer Inc. New York, USA in Pfizer Products Plc, in May 1997.

Before the divestment, the company had operated in Nigeria for 40 years, **Manufacturing, Marketing and Distributing** Pfizer brands of pharmaceutical and veterinary products in tablets, capsules, ointment/cream, powder, injectables and oral liquid forms. Between 1957-1997, the company established the first pharmaceutical manufacturing plant in Aba South-East Nigeria which was destroyed during the Civil War. It then set up and opened the most modern pharmaceutical plant in 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 Nigeria.

Neimeth after the divestment, developed new alliances with international companies to increase its product portfolio, established new business opportunities, and launched its own brand of generic products to meet local healthcare needs. Enormous opportunities and potentials exist in Neimeth for business expansion and growth. The company has undergone a transformation, transiting from being an alien products dependent company that relied on foreign franchise (under Pfizer) to a domesticated company with international outlook, developing its own products brands as Neimeth.

Currently, under our new strategic heading, the business is structured as follows: Production/Manufacturing, Quality Operations, Human Resources, Engineering, Finance, Research, Purchasing/Packaging, Business Development & International Markets, Corporate Affairs, Training & Customer Satisfaction, Sales & Marketing. This structure is to allow for greater focus, better result orientation, and higher profit growth and also guarantees overall cost reduction in operational and personnel expense with a view to ensuring a unified corporate goal.

## OUR METAMORPHOSIS

Neimeth's business operation was anchored on its manufacturing and distribution license agreements with Pfizer. This co-operation with Pfizer led to Pfizer allowing Neimeth to sell TCP (now NCP) in the West African markets. Neimeth has undergone a transformation that has seen it transiting from being a product dependent company that had relied on foreign franchise (under Pfizer) to that of a domestic company with International outlook depending on its own products (product self-sufficiency) as Neimeth.

## OUR POLICY DIRECTION

To seek business alliance with reputable international pharmaceutical companies with the objective of selectively introducing their useful products into the Nigerian/ECOWAS market. This has been achieved as Neimeth now transacts business in Anglophone and Francophone West Africa, in such countries as Ghana, Sierra-Leone, Gambia and Liberia.

Neimeth's collaboration with local researchers to develop "home grown" drugs for specific ailments in key disease areas that plague our people. This effort resulted in the manufacture of **Ciklavit**; a nutritional food supplement made from local raw material and is indicated for the management of people living with sickle-cell disorder. Another output of our local research is Nimartem, an ACT (Artemether/Lumefantrine) that is the first locally manufactured brand in the Antimalarial segment of the Nigerian Pharmaceutical Market (NPM), and Pyrantrin Choco, a chocolate flavoured variant of our flagship product, Pyrantrin, the 1<sup>st</sup> of its kind in the Nigerian Pharmaceutical Market.

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

## LOGISTICS

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



Our field sales team is the largest in the industry. This is a strength, which enables us to physically cover all the local Government Areas in Nigeria. It also reduces our advertisement cost. Additionally, the Company signed an MOU with WWCVL, a marketing distribution company to enhance our distributions on real time.

## RESEARCH & DEVELOPMENT

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

Internal R & D activities include formulation of new products, re-formulation of existing products to enhance efficacy, creation of new therapeutic uses, increase sales potentials and profitability as well as usage extension. Achievements in this area include the re-formulation of Minizide, our flagship anti-hypertensive drug for blacks to give birth to MINIPLUS. We are also working on the production of the solid form of Ciklavit which when encapsulated, will further enhance patient convenience, compliance, export potentials, product profitability and overall management profile of Sickle Cell disorder. Internal R & D efforts will lead to the launch or re-launch of 11 (eleven) Human products and 8 (eight) Veterinary products as evidenced by the launch of Pyrantrin choco suspension, a chocolate flavored variant of our flagship deworming agent, Pyrantrin, the first of its kind in the NPM.

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

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

## BUSINESS DEVELOPMENT

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

## CORPORATE SOCIAL RESPONSIBILITY

Neimeth is highly community focused and seeks to engage with host communities. The company contributes significantly in helping to control worm infestation via numerous free deworming schemes and deployed sanitation/hygiene and diverse health educational strategies to reduce overall health cost through education.

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

Another health educational strategy is Helminthiasis Elimination Lower-Cost Partnership (HELP). This is Neimeth's social engineering programme aimed at improving the health, nutrition and welfare of Nigerian communities/villages through the eradication of worm burden in our society, like Pyrantrin Kids Club, it is structured on chemotherapy, sanitation, hygiene and health



education. HELP is a mass deworming partnership programme with NGO's Governments, State Ministries of Women and Social Development at highly subsidized shared/lower cost.

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

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

## **SICKLE CELL MANAGEMENT**

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

## **FOOTCARE PROGRAMME**

Neimeth Footcare Programme, targets military and paramilitary personnel who wear boots all the time and are at risk of Candida infection or Foot-rot.

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

## **THE NEIMETH PHARMACEUTICAL PLANT**

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

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

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

## **CURRENT UPGRADE**

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

This move as anticipated will enhance our capability; sustain cost reduction by 25% both in manufacturing cost now and in the future. It will commensurately make our products more affordable and improve profits to soar. Additionally, it will create extra capabilities for contract manufacturing/tolling opportunities and meet current and future requests. These new machines constitute the first phase in our plant upgrade efforts. The next phase will focus on expanding Neimeth's R & D in natural products.

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



Mother, you gave me life,  
I'll give you love forever

# Obron-6

ENRICHED MULTIVITAMINS AND  
MINERALS ESSENTIAL FOR  
PREGNANT MOTHERS, LACTATING  
MOTHERS AND MOTHERS-TO-BE

**plus iron**



*Obron-6, Healthy mother, healthy baby*

SUPPORTED BY:



National Association of Nigeria Nurses & Midwives

[www.neimethpic.com.ng](http://www.neimethpic.com.ng)

**Neimeth**

Meet Me  
0157

The Directors submit herewith to the members of the company the statement of the Financial Position as at 30<sup>th</sup> September, 2015 together with the Comprehensive Income statement for the year ended on that date.

## LEGAL FORM

The Company, Pfizer Products Nigeria was incorporated on 30<sup>th</sup> August 1957 as a limited liability company. It was converted to a Public Limited Company in 1991. On 14<sup>th</sup> 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
Loss before taxation for the year	(315,772)
Taxation	(19,912)
	-----
Loss for the year	(335,684)
	=====

## DIRECTORS AND THEIR INTERESTS

- The name of current Directors are shown on page 6
- The Directors retiring by rotation at this Annual General Meeting in accordance with the company's Articles of Association are Mazi S. I. Oluabunwa, Mr. A. O. Balogun and Engr. G. E. Omene who being eligible, offer themselves for re-election.
- The interest of each Director in the share capital of the company as at 30<sup>th</sup> September, 2015 are as follows:

Name	Direct Holdings	Indirect Holdings	Total
Dr. A.B.C. Orjiako		338,525,003	338,525,003
Mazi S. I. Oluabunwa	109,710,462	5,704,842	115,415,304
Ebere Igboko Ekpunobi (Ph.D)	Nil	Nil	Nil
Mr. A. O. Balogun	7,776,340	-	7,776,340
Sir. G. N. Oluabunwa	12,932,840	-	12,932,840
Mr. C. U. Mmeje	120,000	-	120,000
Engr. G. E. Omene	16,122,414	-	16,122,414
Prof. E. N. Sokomba	500,000	372,597,433	373,097,433
Prof. M. M. Iwu	25,691,815	-	25,691,815
Mr. I. T. Onyechi	3,195,000	59,919,999	63,114,999
Mr. T. T. Osobu	67,086,448	-	67,086,448



## d. Beneficial Ownership

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

## e. Directors' Interest in Contrast

None of the directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act Cap C20 LFN 2004 of any declarable interest in contract, with which the company is involved as at 30<sup>th</sup> September, 2015.

## 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

According to the register of members, Dr. A.B.C. Orjiako, Mazi S. I. Oluabunwa and Intercedd Health Products Limited respectively held more than 5% of the issued share capital of the company as at 30<sup>th</sup> September, 2015.

Range of Holdings	No. of Shareholdings	% of Shareholders	No. of Shares held	% of Shareholdings
1 - 1,000	6,694	22.20	3,015,003	0.19
1,001 - 5,000	13,293	44.08	31,476,662	2.01
5,001 - 10,000	5,010	12.50	26,380,664	1.68
10,001 - 50,000	5,138	16.61	102,400,896	6.52
50,001 - 100,000	706	2.34	49,134,230	3.13
100,001 - 500,000	554	1.84	107,470,520	6.85
500,001 - 1,000,000	58	0.19	38,893,959	2.48
1,000,001 - 10,000,000	60	0.20	167,829,662	10.69
10,000,001 - 50,000,000	6	0.02	95,137,987	6.06
50,000,001 - 100,000,000	2	0.01	126,978,847	8.09
100,000,001 - ABOVE	<u>4</u>	<u>0.01</u>	<u>820,832,898</u>	<u>52.30</u>
Total =	<u>30,155</u>	<u>100.00</u>	<u>1,569,551,328</u>	<u>100.00</u>



## 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 30<sup>th</sup> September, 2015.

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

## VALUE OF ASSETS

Particulars of the changes arising from additions and disposals of Property, Plant and Equipment during the year are contained in Note 8. Details of other assets of the Company as at 30<sup>th</sup> September 2015 are given in Notes 10 to 15 of the Statement of Financial Position.

## CORPORATE SOCIAL RESPONSIBILITY

Neimeth during the 2014/2015 business year focused in one of her key areas of strength – Cardiovascular Medicine with **FITGAH**, (Fight the Good Fight Against Hypertension). The objective was to stop the growing scourge of hypertension in Nigeria.

**FITGAH**, as an Innovative Corporate Social Responsibility, forged partnership with NGOs, Professional Bodies, Nigerian Heart Foundation, Nigerian Cardiac Society, Pharmaceutical Society of Nigeria, Federal Ministry of Health and High Networth Individuals in the country.

Communities screened include:

- Ituku Community, Enugu State.
- Internally Displaced People (IDA) Apo Mechical Village Abuja.
- Ikorodu Local Government, Lagos State.
- Amaimo Community, Imo State.
- Agoge Local Government, Lagos State.
- Nigeria Prisons Service (Maximum Security Prison Kirkiri).
- Arepo/Magboro Communities, Ogun State.
- Free Screening Management at the Neimeth Cardiovascular Clinic, Ikeja and Orgun.

## COMPANY'S DISTRIBUTORS

An exclusive distribution agreement was entered into in April 2015 with Worldwide Commercial Ventures Limited for the distribution of about 80% of Neimeth's Major Brands.

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

Santus Pharmacy, Lagos  
Spine Products Ltd, Lagos

Precious Pharm, Abeokuta  
Ramsgate Pharm. Abeokuta



New Height Pharm, Lagos  
Befine Products Ltd, Lagos  
Okeydon Pharmacy, Onitsha  
Nnaemekea Chris, Onitsha  
Rapon Pharmacy Ltd, Onitsha  
Fiolu Pharm, Ilorin  
Royal Michael Pharm, Benin  
Influential Emmanuel Ltd, Aba  
Doche Pharmacy Ltd, Abuja

Kamel Pharmacy, Calabar  
Goodall Pharmacy Ltd, Ibadan  
U. J Madonna, Osogbo.  
Zagbayi pharm Ltd, Minna  
Tony Pharmacy, Kano  
Skylark Pharmacy, Abuja  
Gabytto Pharm Ltd, Yola.  
Samtad Nig Ltd, Ikire, Osun

## SUPPLIERS

The company's significant **suppliers** are:

Shongai Packaging  
Bowale Commercial Enterprises Limited  
Drug & Healthcare Limited  
Long Range Europe Limited  
Roland Hill Limited  
Sankil Pharm. Ltd  
EurochemcoVentures Linimited  
Toppan Printing Company Nig. Limited  
Funshow Print Company

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

## MANUFACTURING AND DISTRIBUTION AGREEMENTS

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

Royalty charge during the year amounted to ₦1,654,389.00 (2014 – ₦2,202,363.00)

## RESEARCH AND DEVELOPMENT

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

## EMPLOYEE INVOLVEMENT AND TRAINING

The future of the Company depends on her people working together harmoniously to provide quality products and services to our customers, shareholders and the community in which we operate and the nation at all times, by improving our processes using best practices.

To sustain this, the employees were treated equitably, fairly and with dignity as individuals in a consistent manner.

Employees were encouraged to participate in full and open communication, give constructive suggestions for the improvement of methods; efficiency and working conditions.

The Company believes strongly in Human Capital Development as this is asserted to be the most important element of success in business today.

The Company shall continue to train its members of staff in order to correct a weakness, increase proficiency or prepare employees for current or future jobs. For all new employees joining Neimeth, there will be Induction Training to ensure they are properly introduced into the company and the job they are expected to do. To further strengthen this, formal meetings were held weekly at operational levels. Scheduled operational meetings are ongoing to achieve corporate objective.



## HEALTH, SAFETY AND WELFARE OF EMPLOYEE

The Company believes absolutely that the well-being of employees on the job should be consistently reviewed and sustained through various occupational health and safety activities. To achieve this goal, our Company has continued to create and cultivate healthy environment in which our employees can rapidly learn from each other, agree on shared understanding and limitations, explore new ideas, competitive skills, behaviors, attitudes and apply them. Under the Company's medical scheme, employees are encouraged to undergo annual medical examination as a preventive care and thereby make the employee a good and happy worker. In the case of ill health, treatment is provided free to employees and their immediate family through Royal Exchange Healthcare as the Company's official HMO under the National Health Insurance Scheme.

## POST BALANCE SHEET EVENTS

There were no other significant post balance sheet events, which could have had material effect on the state of affairs of the company for the period ended 30<sup>th</sup> September, 2015 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  
5<sup>th</sup> February, 2016



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

In accordance with Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that we have gone through the Auditors' Report for the period ended 30<sup>th</sup> September, 2015. We have obtained all the information and explanations we required.

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

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

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

Dated 7<sup>th</sup> December, 2015.

DR. M. O. OJINKA  
Chairman, Audit Committee

### Other members of the Audit Committee

Chief T.A. Okoronkwo  
Alhaji A.O. Ajagun  
Sir I.T. Onyechi  
Mr. A.O. Balogun  
Sir G.E. Omene  
Mrs. F.I. Onyenekwe – Secretary to the Committee

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### Board of Directors:

Dr. A.B.C. Orjiako (Chairman), Emmanuel Ekunno (MD/CEO), C. U. Mmeje (Executive), Mazi Sam L Ohuabunwa (OFR), Prof. M. Iwu, A. O. Balogun, Sir Ike Onyechi, G. N. Ohuabunwa, Prof. E:N. Sokomba, ThoJ1las T. Osobu. G.E. Omene.

**REPORT OF THE INDEPENDENT AUDITORS**

**TO THE MEMBERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC**

We have audited the accompanying financial statements of **Neimeth International Pharmaceuticals Plc**, which comprise the statement of financial position at 30 September 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

**Directors' Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Neimeth International Pharmaceuticals Plc** at 30 September 2015, and of its financial performance and its cash flows for the year then ended; in accordance with the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004.

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



**Najeeb A. Abdus-salaam, FCA, FRC/2013/CAN/00000000753**

For: **PKF Professional Services**

Chartered accountants

Lagos, Nigeria.

Date: 18 December, 2015



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**Partners:** Isa Yusufu, Geoffrey C. Orah, Omede P.S. Adaji, Tajudeen A. Akande, Samuel I. Ochimana, Najeeb A. Abdus-salaam, Olatunji O. Ogundeyin, Benson O. Adejayan.

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

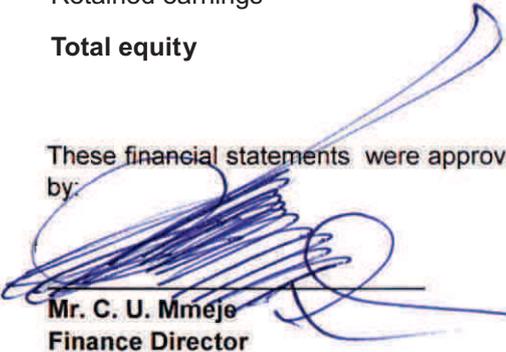
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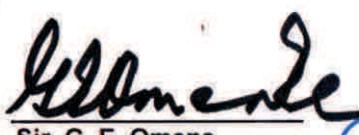
# Statement of Financial Position

## At 30 September 2015

	Notes	2015 N'000	2014 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	471,396	541,976
Deposit for shares	10	-	24,515
		<u>471,396</u>	<u>566,491</u>
<b>Current assets</b>			
Inventories	11	769,494	847,014
Trade and other receivables	12	830,025	1,217,035
Other assets	13	52,012	88,530
Cash and cash equivalents	14	77,317	63,418
		<u>1,728,848</u>	<u>2,215,997</u>
<b>Total assets</b>		<u>2,200,244</u>	<u>2,782,488</u>
<b>Current liabilities</b>			
Bank overdraft		23,936	129,294
Current portion of long term borrowings	16.1	343,304	263,780
Trade and other payables	17	283,635	434,820
Define contribution plan	18.1	89,245	108,399
Current income tax	20	69,559	84,980
Finance lease obligation	23	22,133	95,182
		<u>831,812</u>	<u>1,116,455</u>
<b>Non-current liabilities</b>			
Non-Current portion of long term borrowings	16.1	177,761	137,420
Finance lease obligation	23	-	13,155
Deferred tax liability	21	33,346	22,449
		<u>211,107</u>	<u>173,024</u>
<b>Total liabilities</b>		<u>1,042,919</u>	<u>1,289,479</u>
<b>Net assets</b>		<u>1,157,325</u>	<u>1,493,009</u>
<b>Equity</b>			
Share capital	24	784,776	784,776
Share premium		1,197,933	1,197,933
Retained earnings	25	(825,384)	(489,700)
<b>Total equity</b>		<u>1,157,325</u>	<u>1,493,009</u>

These financial statements were approved by the Board of Directors on 18 December, 2015 and signed on its behalf by:

  
**Mr. C. U. Mmeje**  
 Finance Director  
 FRC/2014/CIBN/00000006114

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

  
**Dr. A. B. C. Orjiako**  
 Chairman  
 FRC/2013/ICDN/00000003161

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

# Statement of Comprehensive Income for the Year Ended 30 September 2015

	Note	2015 N'000	2014 N'000
Revenue	26.1	1,460,728	1,628,395
Cost of sales	27	<u>(776,060)</u>	<u>(874,435)</u>
<b>Gross profit</b>		<b>684,668</b>	753,960
Marketing and distribution expenses	28	(298,701)	(331,219)
Administrative expenses	29	(617,396)	(571,905)
Loss on disposal of investment securities		-	(4,605)
Diminution of investment	10	(24,515)	-
Other income	30	<u>32,308</u>	<u>40,034</u>
<b>Operating loss</b>		<b>(223,636)</b>	(113,735)
Finance costs	31	<u>(92,136)</u>	<u>(84,438)</u>
Loss before taxation		<b>(315,772)</b>	(198,173)
Current tax expense	22	(9,015)	(12,934)
Deferred income tax expense	22	<u>(10,897)</u>	<u>(17,428)</u>
<b>(Loss) for the year after taxation</b>		<b><u>(335,684)</u></b>	<b><u>(228,535)</u></b>
<b>Other comprehensive income</b>			
Gain on available for sale assets		-	-
<b>Total other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive (loss)</b>		<b><u>(335,684)</u></b>	<b><u>(228,535)</u></b>
Loss per share (Kobo)	35	<u>(21)</u>	<u>(15)</u>

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



# Statement of Changes in Equity for the Year Ended 30 September 2015

	Issued share capital N'000	Share premium N'000	Bonus issue reserve N'000	Fair value reserve N'000	Retained earnings N'000	Total equity N'000
<b>At 30 September 2013</b>	653,980	1,197,933	130,796	12,245	(261,165)	1,733,789
<b>Changes in equity for 2014</b>						
Profit for the year	-	-	-	-	(228,535)	(228,535)
Transfer to income statement	-	-	-	-	-	-
<b>Other comprehensive income</b>						
Fair value changes on available for sale assets	-	-	-	(12,245)	-	(12,245)
Exchange gain or loss on foreign operations	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(12,245)	(228,535)	(240,780)
Issue of share capital	-	-	-	-	-	-
Transfer between share capital/ premium	130,796	-	(130,796)	-	-	-
Transaction costs for equity issue	-	-	-	-	-	-
Deposit for future subscription of stocks	-	-	-	-	-	-
<b>At 30 September 2014</b>	<u>784,776</u>	<u>1,197,933</u>	<u>-</u>	<u>-</u>	<u>(489,700)</u>	<u>1,493,009</u>
	Issued share capital N'000	Share premium N'000	Bonus issue reserve N'000	Fair value reserve N'000	Retained earnings N'000	Total equity N'000
<b>At 30 September 2014</b>	784,776	1,197,933	-	-	(489,700)	1,493,009
<b>Changes in equity for 2015</b>						
Loss for the year	-	-	-	-	(335,684)	(335,684)
Transfer to income statement	-	-	-	-	-	-
<b>Other comprehensive income</b>						
Fair value changes on available for sale assets	-	-	-	-	-	-
Exchange gain or loss on foreign operations	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	(335,684)	(335,684)
Issue of share capital	-	-	-	-	-	-
Transfer between share capital/ premium	-	-	-	-	-	-
Transaction costs for equity issue	-	-	-	-	-	-
Deposit for future subscription of stocks	-	-	-	-	-	-
<b>At 30 September 2015</b>	<u>784,776</u>	<u>1,197,933</u>	<u>-</u>	<u>-</u>	<u>(825,384)</u>	<u>1,157,325</u>



# Statement of Cash Flows for the Year Ended 30 September 2015

	Notes	2015 N'000	2014 N'000
<b>Cash flows from operating activities</b>			
Cash flow generated from operations	34	1,002,026	513,850
Cash receipts from customers		1,565,320	1,673,779
Cash payments to suppliers and employees		(2,200,122)	(1,988,116)
Payment for employee benefit obligations		(98,840)	(109,021)
Current income tax paid	20	(24,436)	(977)
<b>Net cash from operating activities</b>		<b>243,948</b>	<b>89,515</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	8	(7,194)	-
Acquisition of capital work in progress	10	(29,465)	(198,147)
Proceed on disposal of property, plant and equipment		1,342	3,684
Proceed on disposal of investments		-	51,024
Dividend received	30	-	1,312
<b>Net cash used in investing activities</b>		<b>(35,317)</b>	<b>(142,127)</b>
<b>Cash flows from financing activities</b>			
Finance costs paid	31	(92,136)	(84,438)
Repayments of finance lease obligations	23	(86,204)	(56,493)
Proceeds from finance lease obligations	23	-	89,670
Repayments of term loans	16.1	(51,658)	(124,218)
Proceeds of term loans received		110,625	37,950
Proceeds from deposit for shares	16.4	30,000	91,000
<b>Net cash used in financing activities</b>		<b>(89,373)</b>	<b>(46,529)</b>
Increase/(Decrease) in cash and cash equivalents		119,257	(99,141)
Cash and cash equivalent at the beginning of the year		(65,876)	33,265
<b>Cash and cash equivalent at the end of the year</b>	15	<b>53,381</b>	<b>(65,876)</b>

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 30 August 1957 as 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

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

Additional information required by local regulators 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 assets (liabilities) which were measured at fair value.

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

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

### 2.3 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 October 2014 and not early adopted

#### a IFRS 9, 'Financial instruments'

This addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. This determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018.

#### b IFRS 15 Revenue from Contracts with Customers

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



### 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 <sup>1</sup> / <sub>3</sub>

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

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



### 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 Company 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 Company, including:
- Adverse changes in the payment status of issuers or debtors in the Company; or
- National or local economic conditions that correlate with defaults on the assets in the Company.

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 income statement.

### **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, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

### **3.7 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

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

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

### 3.11.2 Defined benefit plan

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

	2015 N'000	2014 N'000
<b>Financial assets</b>		
Trade and other receivables	830,025	1,217,035
Cash and cash equivalents	<u>77,317</u>	<u>63,418</u>

#### An analysis of trade receivables

	Carrying amount N'000	Note	Neither impaired nor past due N'000	4 - 6 months N'000	7 - 9 months N'000	10 - 12 months N'000	Above 12 months N'000
<b>2015</b>	<b>1,533,064</b>	<b>12</b>	<b>680,223</b>	<b>13,457</b>	<b>59,131</b>	<b>53,375</b>	<b>726,878</b>
2014	1,637,656	12	600,027	225,431	118,836	256,021	437,341



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.

## **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 exposure to liquidity risk. The Company complies with minimum regulatory requirements.

## **c Market risks**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

## **d Currency risk**

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

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

## **6. Capital management**

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

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



## Approach to capital management

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

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

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

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

The debt-to-capital ratios at 30 September 2015 and its comparative year were as follows:

	2015 N'000	2014 N'000
Total liabilities	1,042,919	1,289,479
Less: cash and cash equivalents	77,317	63,418
Net debt	<u>965,602</u>	<u>1,226,061</u>
Total equity	<u>1,157,325</u>	<u>1,493,009</u>
Debt-to-capital ratio	<u>0.83</u>	<u>0.82</u>

The increase in the debt-to-capital ratio during 2015 resulted primarily from the increase in net debt that occurred as at the end of the year.

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

There has been no significant changes to its capital structure during the past year 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.



# Notes to The Financial Statements for the Year Ended 30 September 2015

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

Note	Financial assets				Financial liabilities		Total carrying amount 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		
	<b>At 30 September 2015</b>							
<b>Assets</b>								
Trade and other receivables	12	-	830,025	-	-	-	830,025	1,538,103
Cash and cash equivalents	14	77,317	-	-	-	-	77,317	77,317
		<u>77,317</u>	<u>830,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>907,342</u>	<u>1,615,420</u>
<b>Liabilities</b>								
Trade and other payables	17	-	-	-	-	283,635	283,635	283,635
Long term borrowings (including current portion)	16.1	-	-	-	343,304	-	343,304	343,304
Finance lease payable	24	-	-	-	22,133	-	22,133	22,133
		<u>-</u>	<u>-</u>	<u>-</u>	<u>365,437</u>	<u>283,635</u>	<u>649,072</u>	<u>649,072</u>
<b>At 30 September 2014</b>								
<b>Assets</b>								
Trade and other receivables	12	-	1,217,035	-	-	-	1,217,035	1,647,673
Cash and cash equivalents	14	63,418	-	-	-	-	63,418	63,418
		<u>63,418</u>	<u>1,217,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,280,453</u>	<u>1,711,091</u>
<b>Liabilities</b>								
Trade and other payables	17	-	-	-	-	434,820	434,820	434,820
Long term borrowings (including current portion)	16.1	-	-	-	263,780	-	263,780	263,780
Finance lease payable	24	-	-	-	108,337	-	108,337	108,337
		<u>-</u>	<u>-</u>	<u>-</u>	<u>372,117</u>	<u>434,820</u>	<u>806,937</u>	<u>806,937</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 Group can use in order to estimate the fair value;

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

The Company quoted investments at 30 September 2015 is NIL (2014: NIL) which are categorised as **level 1**, because the securities are listed. There are however, no financial instruments in the level 2 and 3 categories for the year.



## 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
<b>2015</b>									
<b>Cost</b>									
At 1 October	27,752	49,203	419,074	60,311	337,670	42,372	15,258	196,694	1,148,334
Addition in the year	-	2,400	-	115	3,180	1,499	29,465	-	36,659
Transferred from capital work in progress	-	10,448	21,955	1,007	1,122	157	(34,689)	-	-
Write off	-	-	-	-	-	-	(10,034)	-	(10,034)
Disposal	-	-	-	(47)	(14,098)	-	-	-	(14,145)
At 30 September	<u>27,752</u>	<u>62,051</u>	<u>441,029</u>	<u>61,386</u>	<u>327,874</u>	<u>44,028</u>	<u>-</u>	<u>196,694</u>	<u>1,160,814</u>
<b>Accumulated depreciation</b>									
At 1 October	-	2,529	218,320	44,092	284,693	42,124	-	14,600	606,358
Charge for the year	-	1,713	36,250	2,877	28,268	1,645	-	25,869	96,622
Disposal	-	-	-	(47)	(13,515)	-	-	-	(13,562)
At 30 September	<u>-</u>	<u>4,242</u>	<u>254,570</u>	<u>46,922</u>	<u>299,446</u>	<u>43,769</u>	<u>-</u>	<u>40,469</u>	<u>689,418</u>
<b>Carrying amount:</b>									
At 30 September 2015	<u>27,752</u>	<u>57,809</u>	<u>186,459</u>	<u>14,464</u>	<u>28,428</u>	<u>259</u>	<u>-</u>	<u>156,225</u>	<u>471,396</u>
At 30 September 2014	<u>27,752</u>	<u>46,674</u>	<u>200,754</u>	<u>16,219</u>	<u>52,977</u>	<u>248</u>	<u>15,258</u>	<u>182,094</u>	<u>541,976</u>
<b>2014</b>									
<b>Cost</b>									
At 1 October	20,467	28,960	377,183	53,963	370,758	42,276	33,623	57,055	984,285
Addition in the year	-	-	-	-	-	-	198,147	-	198,147
Transferred from capital work in progress	7,285	20,243	41,891	7,358	-	96	(216,512)	139,639	-
Disposal	-	-	-	(1,010)	(33,088)	-	-	-	(34,098)
At 30 September	<u>27,752</u>	<u>49,203</u>	<u>419,074</u>	<u>60,311</u>	<u>337,670</u>	<u>42,372</u>	<u>15,258</u>	<u>196,694</u>	<u>1,148,334</u>
<b>Accumulated depreciation</b>									
At 1 October	-	1,546	185,053	42,583	285,626	41,530	-	1,902	558,240
Charge for the year	-	983	33,267	2,519	28,670	594	-	12,698	78,731
Disposal	-	-	-	(1,010)	(29,603)	-	-	-	(30,613)
At 30 September	<u>-</u>	<u>2,529</u>	<u>218,320</u>	<u>44,092</u>	<u>284,693</u>	<u>42,124</u>	<u>-</u>	<u>14,600</u>	<u>606,358</u>
<b>Carrying amount:</b>									
At 30 September 2014	<u>27,752</u>	<u>46,674</u>	<u>200,754</u>	<u>16,219</u>	<u>52,977</u>	<u>248</u>	<u>15,258</u>	<u>182,094</u>	<u>541,976</u>
At 30 September 2013	<u>20,467</u>	<u>27,414</u>	<u>192,130</u>	<u>11,380</u>	<u>85,132</u>	<u>746</u>	<u>33,623</u>	<u>55,153</u>	<u>426,045</u>

### 8.1 Impairment loss

There was no impairment loss recognised in the year.

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

	Plant and Machinery N'000	Motor vehicles N'000	Total N'000
<b>9. Assets under finance lease</b>			
<b>2015</b>			
<b>Cost</b>			
At 1 October	134,696	61,998	196,694
At 30 September	<u>134,696</u>	<u>61,998</u>	<u>196,694</u>
<b>Accumulated depreciation</b>			
At 1 October	1,122	13,478	14,600
Charge for the year	13,552	12,317	25,869
At 30 September	<u>14,674</u>	<u>25,795</u>	<u>40,469</u>
<b>Carrying amount</b>			
At 30 September 2015	<u>120,022</u>	<u>36,203</u>	<u>156,225</u>



	<b>Plant and Machinery N'000</b>	<b>Motor vehicles N'000</b>	<b>Total N'000</b>
<b>2014</b>			
<b>Cost</b>			
At 1 October	-	57,055	57,055
Transfer from capital work in progress	134,696	4,943	139,639
At 30 September 2015	<u>134,696</u>	<u>61,998</u>	<u>196,694</u>
<b>Accumulated depreciation</b>			
At 1 October	-	1,902	1,902
Charge for the year	1,122	11,576	12,698
At 30 September	<u>1,122</u>	<u>13,478</u>	<u>14,600</u>
<b>Carrying amount</b>			
At 30 September 2014	<u>133,574</u>	<u>48,520</u>	<u>182,094</u>
		<b>2015 N'000</b>	2014 N'000
<b>10. Deposit for shares</b>			
At 1 October		<b>24,515</b>	24,515
Impairment		<b>(24,515)</b>	-
At 30 September		<u>-</u>	<u>24,515</u>

The above figure is the deposit for investment at Worldwide Healthcare Limited ("the company"). The company's operations has been negatively affected by the economic situation in the country. As at 30 September 2015, Neimeth assessed the possibility of recovering the deposit and recognised an impairment pending the revival of the company.

	<b>2015 N'000</b>	2014 N'000
<b>11. Inventories</b>		
Raw materials	<b>476,490</b>	456,679
Work-in-progress	<b>44,320</b>	30,565
Finished goods	<b>222,920</b>	265,181
Spare parts	<b>15,791</b>	21,888
Goods in transit	<b>9,973</b>	72,701
	<u><b>769,494</b></u>	<u>847,014</u>
<b>12. Trade and other receivables</b>		
Trade receivables	<b>1,533,064</b>	1,637,656
Staff loans	<b>5,039</b>	10,017
Other receivable	<b>5,055</b>	5,055
Due from related parties	<b>13,745</b>	1,648
	<u><b>1,556,903</b></u>	<u>1,654,376</u>
Impairments allowance (Note 12.1)	<b>(726,878)</b>	(437,341)
	<u><b>830,025</b></u>	<u>1,217,035</u>



	2015 N'000	2014 N'000
<b>12.1 Impairments allowance</b>		
At 1 October	437,341	283,817
Charge in the year	289,537	153,524
At 30 September	<u>726,878</u>	<u>437,341</u>
There is no material difference between the fair value of receivables and their carrying amount.		
<b>13. Other assets</b>		
Prepayments	7,298	13,887
Withholding tax recoverable	37,699	33,664
Advances to suppliers	7,015	40,979
	<u>52,012</u>	<u>88,530</u>
<b>14. Cash and cash equivalents</b>		
Cash in hand	8	-
Cash in banks	77,309	63,418
Cash and cash equivalents as per statement of financial position	<u>77,317</u>	<u>63,418</u>
<b>15. Cash and cash equivalents</b>		
Cash and bank balances (Note 14)	77,317	63,418
Bank overdrafts	(23,936)	(129,294)
Cash and cash equivalent as per statement of cash flow	<u>53,381</u>	<u>(65,876)</u>
<b>16. Borrowings</b>		
Term loans (Note 16.1)	<u>521,065</u>	<u>263,780</u>
<b>16.1 Movement in term loans</b>		
At 1 October	263,780	374,772
Additions in the year	110,625	37,950
Repayment during the year	(51,658)	(124,218)
Exchange loss/(gain)	30,898	(24,724)
	<u>353,645</u>	<u>263,780</u>
Other loan (Note 16.4)	167,420	137,420
At 30 September	<u>521,065</u>	<u>401,200</u>
<b>Analysed into:</b>		
Current	<u>343,304</u>	<u>263,780</u>
<b>Non-current :</b>		
GT term loan	10,341	-
Other loan (Note 16.4)	167,420	137,420
	<u>177,761</u>	<u>137,420</u>
	<u>521,065</u>	<u>401,200</u>



	2015 N'000	2014 N'000
<b>16.2 Term loans</b>		
Daewoo Securities (Europe) Limited (Note 16.3.1)	315,975	258,457
REAN Finance Company Limited	6,645	5,323
Guaranty Trust Bank Plc (Note 16.3.2)	31,025	-
	<u>353,645</u>	<u>263,780</u>
Other loan (Note 16.4)	167,420	137,420
	<u>521,065</u>	<u>401,200</u>

### 16.3 Term loans relate to:

#### 16.3.1 Daewoo Securities (Europe) Limited

N420 million (400 million Japanese Yen (JPY)) zero coupon bond at 7.5% per annum issued by the Company in 2007/2008 financial year. The bond is due by 2014 (but recalled in January, 2010) with options to subscribe ordinary shares of the Company to Daewoo Securities (Europe) Limited.

The Company defaulted in honouring its obligation to the bond in accordance with the repayment plan. The balance of N228 million at 30 September 2015 has been due for repayment since September 2011. The interest element has been accrued for.

#### 16.3.2 Guaranty Trust Bank Plc

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

	2015 N'000	2014 N'000
<b>16.4 Other loan</b>		
At 1 October	137,420	46,420
Additions in the year	55,000	91,000
Payment during the year	(25,000)	-
At 30 September	<u>167,420</u>	<u>137,420</u>

Other loan represents amount received from some shareholders repayable as at when due. It attracts 14% interest per annum.

### 17. Trade and other payables

Trade payables	50,119	75,168
Accruals	38,314	131,438
Statutory deductions (VAT, WHT, PAYE etc)	50,975	51,271
Royalties	53,294	53,081
Dividend payable	14,676	14,676
Other payables	34,108	39,554
Accounts payable (Note 17.1)	42,149	69,632
	<u>283,635</u>	<u>434,820</u>

#### 17.1 Account payable

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 disengaged from the service of the company.

### 18. Employee benefits

Defined contribution plan (18.1)	89,245	108,399
	<u>89,245</u>	<u>108,399</u>



	2015 N'000	2014 N'000
<b>18.1 Define contribution plan</b>		
At 1 October	108,399	81,931
Contribution during the year	52,203	59,489
Remittance during the year	(71,357)	(33,021)
At 30 September	<u>89,245</u>	<u>108,399</u>

## 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	
<b>2015</b>				
Short term borrowings	23,936	-	-	23,936
Trade and other payables	283,635	-	-	283,635
Finance lease obligation	22,133	-	-	22,133
Term loans	343,304	177,761	-	521,065
	<u>673,008</u>	<u>177,761</u>	<u>-</u>	<u>850,769</u>
<b>2014</b>				
Short term borrowings	129,294	-	-	129,294
Trade and other payables	350,512	-	-	350,512
Finance lease obligation	95,182	13,155	-	108,337
Term loans	152,788	-	-	152,788
	<u>727,776</u>	<u>13,155</u>	<u>-</u>	<u>740,931</u>

## 20. Current income tax liability

	2015 N'000	2014 N'000
At 1 October	84,980	73,023
Payment in the year	(24,436)	(977)
Charge for the year (Note 22)	9,015	12,934
At 30 September	<u>69,559</u>	<u>84,980</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.

## 21. Deferred tax liability

	2015 N'000	2014 N'000
At 1 October	22,449	5,021
Charge for the year (Note 22)	10,897	17,428
At 30 September	<u>33,346</u>	<u>22,449</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	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Property, plant and equipment	-	23	44,056	75,258	44,056	75,236
Exchange gain	-	-	9,269	7,403	9,269	7,403
Provisions	86,671	53,998	-	-	(86,671)	(53,998)
	<u>86,671</u>	<u>54,021</u>	<u>53,325</u>	<u>82,661</u>	<u>(33,346)</u>	<u>28,641</u>
Tax liability carried forward	-	-	-	-	-	(6,192)
Tax liability brought forwards	-	-	-	-	22,449	(5,021)
Deferred tax (asset)/liability	<u>86,671</u>	<u>54,021</u>	<u>53,325</u>	<u>82,661</u>	<u>(10,897)</u>	<u>17,428</u>

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

## 22. Tax charge

Minimum tax  
Education tax

Deferred taxation  
Income statement

	2015 N'000	2014 N'000
Minimum tax	7,711	10,307
Education tax	1,304	2,627
	<u>9,015</u>	<u>12,934</u>
Deferred taxation	10,897	17,428
Income statement	<u>19,912</u>	<u>30,362</u>

The minimum tax charge on the loss for the year ended 30 September 2015 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 (loss) for the year as follows:

Loss before tax

Tax thereon @ 30%  
Deductible items  
Balancing charge  
Capital allowance  
Education tax  
Minimum tax  
Deferred tax effect  
Tax expense for the year

Loss after tax

	(315,772)	(198,173)
Tax thereon @ 30%	-	-
Deductible items	-	-
Balancing charge	-	-
Capital allowance	-	-
Education tax	1,304	2,627
Minimum tax	7,711	10,307
Deferred tax effect	10,897	17,428
Tax expense for the year	<u>19,912</u>	<u>30,362</u>
Loss after tax	<u>(335,684)</u>	<u>(228,535)</u>

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

Tax rate  
Deductible items  
Balancing charge  
Capital allowance  
Education tax  
Deferred tax effect  
Total effective tax rate

	%	%
Tax rate	30	30
Deductible items	-	-
Balancing charge	-	-
Capital allowance	-	-
Education tax	(1)	(1)
Deferred tax effect	(3)	(9)
Total effective tax rate	<u>26</u>	<u>20</u>



	2015 N'000	2014 N'000
<b>23. Finance lease obligation</b>		
At 1 October	108,337	74,614
Reclasification	-	546
Additions in the year	-	89,670
Repayment in the year	(86,204)	(56,493)
At 30 September	<u>22,133</u>	<u>108,337</u>
<b>Analysed into:</b>		
Current portion	22,133	95,182
Non Current portion	-	13,155
	<u>22,133</u>	<u>108,337</u>
<b>24. Share capital</b>		
<b>24.1 Authorised:</b>		
2,000,000,000 ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>
<b>24.2 Issued and fully paid:</b>		
At 1 October	784,776	653,980
Transferred from bonus issue reserve	-	130,796
At 30 September	<u>784,776</u>	<u>784,776</u>
<b>25. Retained earnings</b>		
At 1 October	(489,700)	(261,165)
Loss for the year	(335,684)	(228,535)
At 30 September	<u>(825,384)</u>	<u>(489,700)</u>
<b>26. Segment information</b>		
<b>26.1 Operating segments</b>		
The Company has two reportable business segments, summarised as follows:		
<b>Pharmaceuticals product group:</b>		
This include the marketing and sales of the Company's branded products and the products under the consumer product group.		
<b>Animal health product group:</b>		
This include the marketing and sales of poultry and large animal range of anthelmintics as well as production enhancing medicaments.		
Pharmaceuticals	1,408,047	1,578,337
Animal health	52,681	50,058
	<u>1,460,728</u>	<u>1,628,395</u>
<b>26.2 Geographical segment</b>		
The Company operates into two geograhic regions namely Nigeria and Ghana.		
Nigeria	1,459,314	1,610,686
Ghana	1,414	17,709
	<u>1,460,728</u>	<u>1,628,395</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.



	2015 N'000	2014 N'000
<b>27. Cost of sales</b>		
Inventory at 1 October	456,679	321,464
Purchases	490,012	801,007
Inventory at 30 September	<u>(476,490)</u>	<u>(456,679)</u>
<b>Materials consumed</b>	<b>470,201</b>	<b>665,792</b>
<b>Factory overhead expenses</b>		
Production salaries and wages	126,756	144,309
Power and fuel	42,041	52,464
Inventory Cost variances	(164,301)	(154,735)
Factory other expenses	43,501	65,869
Depreciation: - Plant and machinery	45,089	34,389
- Building	1,713	983
Inventory write off	63,518	-
Physical inventory adjustment	112,939	5,043
Others	<u>34,603</u>	<u>60,321</u>
	<b>305,859</b>	<b>208,643</b>
	<b>776,060</b>	<b>874,435</b>
<b>28. Marketing and distribution expenses</b>		
Employee costs	121,558	129,608
Transport and travelling	70,020	79,356
Advert and promotions	49,357	48,604
Depreciation of motor vehicle	40,585	40,246
Communication and Subscription	834	698
Gift and donation	496	310
Printing and stationeries	860	1,115
Rent and rate	641	2,133
Product registration expenses	1,332	7,871
Training and seminar	416	2,841
Medical expenses	190	374
Energy cost	3,340	2,377
Repairs and maintenance	4,080	3,617
Telephone and postages	1,100	1,916
Others	<u>3,892</u>	<u>10,153</u>
	<b>298,701</b>	<b>331,219</b>



	2015 N'000	2014 N'000
<b>29. Administration expenses</b>		
Employee costs	136,535	130,003
Impairment allowance for trade and other receivables	289,537	153,524
Other/debt write off	15,348	98,612
Corporate expenses	4,360	3,510
Transport and travelling	15,389	19,563
Legal, consultancy and professional fees	16,978	18,807
Energy cost	10,912	11,345
Rent and rate	2,879	125
Bank charges and commission	19,339	37,410
Insurance	15,773	21,260
Repairs and maintenance	6,518	8,408
Printing and stationeries	2,302	4,451
Training and seminar	529	3,768
Conference and meetings	21,042	26,732
Medical expenses	13,504	7,566
Telephone and postages	2,945	3,243
Communication and Subscription	5,491	7,309
Gift and Donation	136	118
Depreciation of office and computer equipment	4,522	3,113
Audit fee	7,700	7,000
Loss on currency translation	16,782	-
Others	8,875	6,038
	<u>617,396</u>	<u>571,905</u>
<b>30. Other income</b>		
Dividend received	-	1,312
Gain on currency translation	-	24,678
Gains on disposal of property, plant and equipment	758	199
Provision no longer required	30,797	13,845
Other receipts	717	-
Commission Income	36	-
	<u>32,308</u>	<u>40,034</u>
<b>31. Finance costs</b>		
Interest on term loans	51,134	54,994
Interest on debenture	26,620	8,957
Interest on lease	14,382	20,487
	<u>92,136</u>	<u>84,438</u>
<b>32. Decrease/(increase) in operating assets</b>		
Inventories	77,521	(122,117)
Trade and other receivables	(1,467,847)	(1,614,021)
Other assets	36,518	31,938
	<u>(1,353,808)</u>	<u>(1,704,200)</u>
<b>33. Increase in operating liabilities</b>		
Trade and other payables	2,045,624	2,034,081
	<u>2,045,624</u>	<u>2,034,081</u>



	2015 N'000	2014 N'000
<b>34. Cash flow used in operations</b>		
Loss after taxation	(335,684)	(228,535)
<b>Adjustments to reconcile loss to net cash operating activities:</b>		
Depreciation of property, plant and equipment (Note 8 & 9)	96,622	78,731
Finance costs (Note 31)	92,136	84,438
Impairment allowance on trade and other receivables (Note 12.1)	289,537	153,524
Gain on currency revaluation	30,898	(46)
Gain on disposal of property, plant and equipment	(758)	(199)
Loss on disposal of investments	-	4,605
Write off of capital work in progress (Note 8)	10,034	-
Write back of fair value gain on investments	-	(12,245)
Write back of provisions (Note 30)	30,797	13,845
Increase in current income tax liability	9,015	12,934
Decrease in deposit for shares (Note 10)	24,515	-
Increase in deferred income tax	10,897	17,428
Decrease in employee benefits	52,203	59,489
Increase in operating assets (Note 32)	(1,353,808)	(1,704,200)
Decrease in operating liabilities (Note 33)	2,045,624	2,034,081
<b>Total adjustments</b>	<b>1,337,712</b>	<b>742,385</b>
<b>Cash flow (used in)/generated from operations</b>	<b>1,002,026</b>	<b>513,850</b>
<b>35. Basic loss per share</b>		
Loss 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		
Loss after taxation	(335,684)	(228,535)
Number of shares	1,569,551	1,569,551
Loss per share (kobo)	(21)	(15)
<b>36. Information regarding directors and employees</b>		
<b>36.1 Directors' emoluments comprise:</b>		
Fees:		
- Chairman	600	600
- Other Directors	4,000	4,000
Emolument of executive directors	24,120	26,600
	<b>28,720</b>	<b>31,200</b>
Highest paid director	14,600	14,600

In addition to the above, the Company provides non cash benefits to the Directors.



### 36.2 Scale of directors' remuneration

The number of directors excluding the Chairman whose expenses fell within the following ranges are:

N	N
Below	- 2,500,000
2,500,001	- 5,000,000
5,000,001	- 7,500,000
7,500,001	- 10,000,000
10,000,001	- 12,500,000
Above	12,500,001

### 36.3 Personnel compensation

Personnel compensation comprised:  
Short-term employee benefits  
Contribution to compulsory pension fund scheme

#### Analysis by function:

Production  
Marketing and distribution  
Administration

### 36.4 The average number of persons employed during the year by category:

Management  
Senior staff  
Junior staff

### 36.5 Scale of employees' remuneration

N	N
Below	- 250,000
250,001	- 500,000
500,001	- 750,000
750,001	- 1,000,000
1,000,001	- 1,250,000
1,250,001	- 1,500,000
Above	1,500,001

2015	2014
<b>Number</b>	<b>Number</b>
-	-
-	-
-	-
-	1
1	1
1	-
<b>2</b>	<b>2</b>
<b>N'000</b>	<b>N'000</b>
203,747	200,122
54,346	59,489
<b>258,093</b>	<b>259,611</b>
<b>126,756</b>	<b>144,309</b>
<b>121,558</b>	<b>129,608</b>
<b>136,535</b>	<b>130,003</b>
<b>384,849</b>	<b>403,920</b>
<b>Number</b>	<b>Number</b>
45	52
119	132
67	62
<b>231</b>	<b>246</b>
<b>16</b>	<b>17</b>
<b>98</b>	<b>92</b>
<b>44</b>	<b>57</b>
<b>46</b>	<b>46</b>
<b>2</b>	<b>9</b>
<b>11</b>	<b>11</b>
<b>14</b>	<b>14</b>
<b>231</b>	<b>246</b>

#### Amount due to/(from) the company

2015  
N'000

2014  
N'000

13,745

1,648

### 37. Related party transaction

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

38. Some of the directors of Neimeth International Pharmaceutical Plc are also the directors of Worldwide Healthcare Limited.



## 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 2015 (2014 - 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 was N6,598,189.55 as at 30 September 2015 (2014: Nil) In the opinion of the Directors, based on legal advice. Therefore, provision has been made in the financial statements.

## 42. Events after reporting date

No event or transaction has occurred since the reporting date, which would have a material effect on the financial statements as at that date or which needs to be mentioned 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.



# Statement of Value Added for the Year Ended 30 September 2015

	2015 N'000	%	2014 N'000	%
Revenue	1,460,728		1,628,395	
Other income	32,308		40,034	
	<u>1,493,036</u>		<u>1,668,429</u>	
Cost of goods and services - foreign	(1,159,649)		(1,159,649)	
Cost of goods and services - local	(55,640)		(122,199)	
	<u>277,747</u>	<u>100</u>	<u>386,581</u>	<u>100</u>
<b>Value added</b>				
<b>Applied as follows:</b>				
<b>To pay employees:</b>				
Salaries wages and other staff costs	384,849	139	403,920	105
<b>To providers of capital:</b>				
Finance costs	92,136	33	84,438	22
<b>To pay Government:</b>				
Company income tax	9,015	3	12,934	3
<b>To provide for assets replacement:</b>				
Depreciation of property, plant and equipment	96,622	35	66,033	17
<b>Retained for future expansion:</b>				
- Deferred taxation	10,897	4	17,429	4
- Sustained loss on ordinary activities	(315,772)	(114)	(198,173)	(51)
	<u>277,747</u>	<u>100</u>	<u>386,581</u>	<u>100</u>
<b>Value added</b>				

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



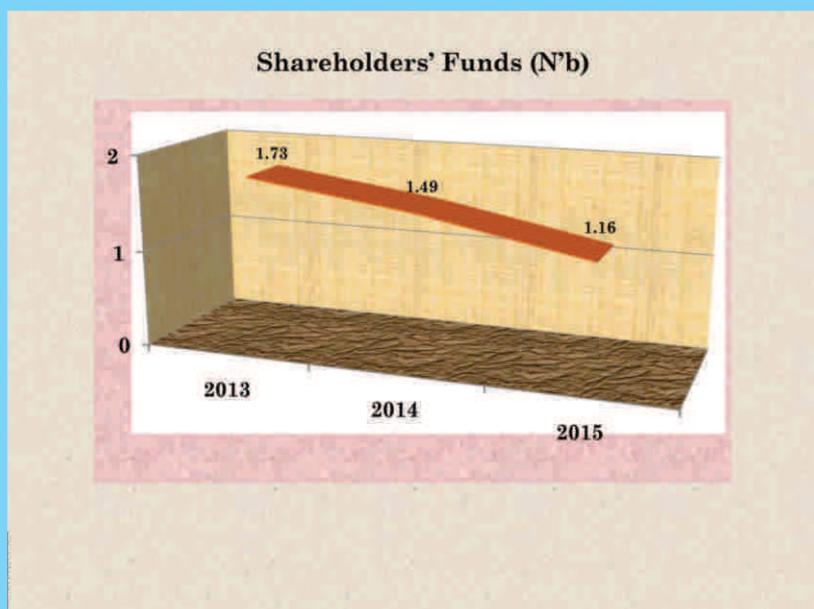
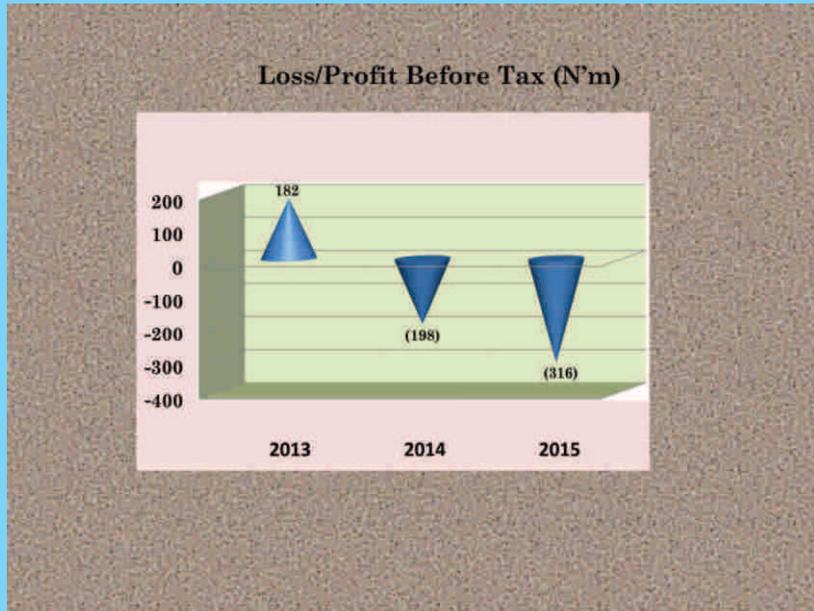
# Financial Summary for the Year Ended 30 September 2015

	I F R S				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
<b>Statement of financial position</b>					
Property, plant and equipment	471,396	541,976	426,045	469,247	473,331
Deferred tax assets	-	-	-	28,154	2,215
Deposit for shares	-	24,515	24,515	24,515	24,515
Available for sale assets	-	-	55,629	34,527	43,198
Net current assets	897,036	1,099,542	1,465,385	1,242,599	1,197,385
Non current liabilities	(211,107)	(173,024)	(237,785)	(216,749)	(725,140)
<b>Net assets</b>	<b>1,157,325</b>	<b>1,493,009</b>	<b>1,733,789</b>	<b>1,582,293</b>	<b>1,015,504</b>
<b>Equity and reserves</b>					
Share capital	784,776	784,776	653,980	653,980	410,788
Share premium reserve	1,197,933	1,197,933	1,197,933	1,328,729	894,961
Bonus issue reserve	-	-	130,796	-	-
Fair value reserve	-	-	12,245	(8,673)	-
Retained earnings	(825,384)	(489,700)	(261,165)	(391,743)	(290,245)
<b>Total equity</b>	<b>1,157,325</b>	<b>1,493,009</b>	<b>1,733,789</b>	<b>1,582,293</b>	<b>1,015,504</b>
	<b>Year ended 30-Sep-2015 N'000</b>	<b>Year ended 30-Sep-2014 N'000</b>	<b>Year ended 30-Sep-2013 N'000</b>	<b>18 months ended 30-Sep-2012 N'000</b>	<b>Year ended 31-Mar-2011 N'000</b>
<b>Statement of Comprehensive income</b>					
<b>Revenue</b>	<b>1,460,728</b>	<b>1,628,395</b>	<b>2,016,522</b>	<b>2,330,203</b>	<b>1,898,501</b>
(Loss)/profit before tax	(315,772)	(198,173)	182,135	(78,140)	123,436
Current tax expense	(19,912)	(30,362)	(51,556)	18,204	(10,359)
<b>(Loss)/profit for the year</b>	<b>(335,684)</b>	<b>(228,535)</b>	<b>130,578</b>	<b>(59,936)</b>	<b>113,077</b>
Other comprehensive income/(loss) for the year	-	-	20,918	(8,673)	-
<b>Total comprehensive (loss)/income for the year</b>	<b>(335,684)</b>	<b>(228,535)</b>	<b>151,497</b>	<b>(68,609)</b>	<b>113,077</b>
<b>Per share data:</b>					
(Loss)/earnings per share (kobo) - Basic	(21)	(15)	10	(5)	14
Net assets per ordinary share (kobo)	74	95	136	121	111

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

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





## 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

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

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

**The Registrar**  
**Meristem Registrars Limited**  
 213 Hebert Macaulay Way  
 Adekunle – Yaba,  
 Lagos.  
 Tel: 01-8920491 – 2, 2702361  
 E-mail: [infor@meristemregistrars.com](mailto:infor@meristemregistrars.com)

**The Company Secretary**  
**Neimeth Int'l Pharms. Plc.**  
 No. 1, Henry Carr Street  
 Ikeja  
 Lagos.  
 Tel: 08158422346, 08033128663  
 E-mail: [info@neimethplc.com.ng](mailto:info@neimethplc.com.ng)



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

Annual General Meeting to be held at 11.00 a.m. on 22<sup>nd</sup> March, 2016 at the Oranmiyan Hall, Lagos Airport Hotel, 111 Awolowo Way, Ikeja, Lagos

I/We \_\_\_\_\_  
of \_\_\_\_\_

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

.....

or failing him, the Chairman of the meeting as my/our Proxy to vote on my behalf at the Annual General Meeting of the Company to be held on 22nd March, 2016 and at any adjournment thereof.

Dated this .....Day.....2016

	NUMBER OF SHARE		
	RESOLUTION	FOR	AGAINST
1	Receive the Report of the Directors, the Statement of Financial Position as at September 30th, 2015, together with the Statement of Comprehensive Income for the yearended on that date and the Reports of the Auditors and Audit Committee thereon.		
2.	Re-elect Directors i. Mazi S. I. Oluwabunwa ii. Mr. A. O. Balogun iii. Sir Engr. G. E. Omene		
3.	Approve the remuneration of Directors		
4.	Authorize the Directors to fix the remuneration of The Auditors for the ensuing Financial year.		
5.	Elect member of the Audit Committee		

Shareholder's Signature.....

-----  
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 22<sup>nd</sup> March, 2016 at Oranmiyan Hall, Lagos Airport Hotel, 111 Awolowo Way, Ikeja, Lagos.

**IF YOU ARE UNABLE TO ATTEND THE MEETING**

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

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

Please sign the above proxy and post it as to reach the address on the other side not later than 11.00 a.m. on 22<sup>nd</sup> March, 2016. The company will have a N50 Stamp endorsed by the Commissioner for Stamp Duties in the space provided above. If executed by a Corporation, the Proxy Card should be sealed with the Common Seal.

**IMPORTANT**

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

Signature of person attending.....

**Application Form**

*for e-bonus & e-dividend*

**Neimeth International Pharmaceuticals Plc**  
(RC: 1557)

Dear Shareholder(s)

**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 PHARMA CEUTICALS PLC to credit your account (in respect of dividends and bonuses) electronically.

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

**2016**

Neimeth International Pharmaceuticals Plc  
(RC: 1557)

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In case of Corporate Shareholder, use company seal.

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

# INTRODUCING

## THE NEW LOOK OF

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LIQUID ANTISEPTIC

Now In Trendier  
& More Affordable  
Pack Sizes



... **27** Unique Uses And Counting

**Neimeth**

# NEIMETH VET. PRODUCTS RANGE.



## Neimycin

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

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

## Neimycin

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

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

... laying proper foundation for your chicks.





**THINGS TO DO TODAY**

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

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

take  
**Homtamin G  
Capsules**

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



**1  
CAPSULE  
DAILY**

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



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*...still the trusted name in family medicines*

[www.neimethplc.com.ng](http://www.neimethplc.com.ng)



