NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

FINANCIAL STATEMENTS
31 DECEMBER 2024

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Corporate information

Tax Identification Number	01380533-0001		
Directors	Mr. Christopher Oshiafi	Chairman	(Appointed 20 June 2024)
	Dr. Ambrosie B.C Orjiako	Chairman	(Retired 20 June 2024)
	Pharm. Valentine C. Okelu	MD/CEO	
	Pharm (Mrs.) Roseline A. Oputa	ED, Sales & Marketing	
	Mrs. Florence I. Onyenekwe	Acting ED, Finance	(Retired 30 October 2024)
	Mazi Samuel I. Ohuabunwa	Non-Executive Director	
	Prof. Maurice M. Iwu	Non-Executive Director	
	Sir. Ike T. Onyechi	Non-Executive Director	
	Mr. Thomas T. Osobu	Non-Executive Director	(Retired 20 June 2024)
	Dr. Atinuke R. Uwajeh	Non-Executive Director	
	Dr. Olusegun E. Akanji	Non-Executive Director	
	Mrs. Henrietta I. Orjiako	Non-Executive Director	(Appointed 20 June 2024)
	Mr. Eric E. Okoruwa	Non-Executive Director	(Appointed 20 June 2024)
	Mrs. Patricia O. Aderibigbe	Independent Non-Executive Director	(Appointed 29 October 2024)
	Mr. Adeyemi O. Odusanya	Independent Non-Executive Director	(Appointed 29 October 2024)
Principal Activities	Manufacturing and marketing of pharmaceuticals and animal health products.		
Company Secretary	Mrs. Chinenye S. Adekanmbi		
Registered Office	Plot 16, Doherty Akanni Layout (Billings Way) Oregun Industrial Estate Oregun, Ikeja, Lagos. Tel: +234 8054431508, +234 9030576286 E-mail:info@neimethplc.com.ng Website:www.neimethplc.com.ng		
Auditor	BDO Professional Services ADOL House 15 CIPM Avenue Central Business District Alausa, Ikeja Lagos		
Registrars	Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way Adekunle Yaba Lagos		
Legal Adviser/Solicitor	Chris O. Omolabi & Associates REALS PLAZA, 1, Junaid Dosunmu Street Off Hakeem Balogun Street Central Business District Alausa, Ikeja Lagos.		
Bankers	Access Bank Plc First Bank of Nigeria Limited Fidelity Bank Plc Guaranty Trust Bank Limited Providus Bank Plc Sterling Bank Plc United Bank for Africa Plc Zenith Bank Plc		

REPORT OF DIRECTORS

The Directors have the pleasure of presenting to the members of the Company their report, together with the Audited Financial Statements for the year ended 31 December 2024.

LEGAL FORM

The Company, Pfizer Products Nigeria was incorporated on 13th of August 1957 as a limited liability company. It was converted to a public limited liability company in 1991. On 14 May 1997, Pfizer Inc. N.Y. divested from the Company through a management buy-out. The Company's name was subsequently changed by a special resolution to Neimeth International Pharmaceuticals Plc. The Company's shares are currently quoted on the floor of the Nigerian Exchange Limited (NGX).

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture, marketing and distribution of pharmaceuticals, animal health products and general healthcare products.

INTERNAL CONTROL

There are effective internal control functions within the Company, which give reasonable assurance against any material misstatement or loss.

RESULTS FOR THE YEAR	2024	2023
	N'000	N'000
Loss for the year before taxation	(854,434)	(1,689,670)
Taxation	(30,899)	(107,881)
Loss after taxation	(885,333)	(1,797,551)

BOARD RESPONSIBILITIES

The Board as the highest governing body in the Company is responsible for the provision of leadership, strategic direction and overall performance of the Company. The Board is duly empowered by relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of the Company. The Board has oversight over the effectiveness of the Company's internal control system and risk management system of the Company and ensures compliance with relevant standards and regulations. 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, prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgements 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.

The Board is also responsible as the highest governing body in the Company for issues such as:

- Approving the strategic direction of the Company and significant corporate strategic initiatives.
- Approving Neimeth's annual targets and financial statements, and monitoring financial performance against forecast and prior periods.
- Considering and approving Neimeth's overall risk–reward strategy and frameworks for managing all categories of risk, including credit, market, liquidity, equity, reputation and operational risk.
- Approving Neimeth's Risk Management Strategy and monitoring the effectiveness of risk management by the company, including satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are in place and are being implemented in accordance with regulatory requirements.
- Making an annual declaration to the relevant regulatory bodies on risk management and corporate governance, in accordance with regulatory requirements.

DIRECTORS

The names of Directors as at the date of this report and who held office during the year 2024 are as follows:

Mr. Christopher Oshiafi	Chairman (Non-Executive Director) – Appointed 20 June 2024 as Chairman
Dr. Ambrosie B. C.	Chairman (Non-Executive Director) – *Retired 20 June 2024*
Pharm. Valentine C.	Managing Director/Chief Executive Officer
Mrs. Roseline. A. Oputa	Executive Director
Mrs. Florence I.	Ag. Executive Director, Finance – *Retired 30 October 2024*
Mazi Samuel I.	Non-Executive Director
Sir. Ikechukwu T.	Non-Executive Director
Prof. Maurice M. Iwu	Non-Executive Director
Dr. Atinuke R. Uwajeh	Non-Executive Director
Dr. Olusegun E. Akanji	Non-Executive Director
Mr. Thomas T. Osobu	Non-Executive Director – *Retired 20 June 2024*
Mr. Eric E. Okoruwa	Non-Executive Director – *Appointed 20 June 2024*
Mrs. Henrietta I. Orjiako	Non-Executive Director – *Appointed 20 June 2024*
Mrs. Patricia O.	Independent Non-Executive Director – *Appointed 29 October 2024*
Mr. Adeyemi O.	Independent Non-Executive Director – *Appointed 29 October 2024*

DIRECTORS' INTERESTS

The interest of the Directors in the Issued Share Capital of the Company as at 31 December 2024 are as follows:

S/N	DIRECTORS	DIRECT HOLDINGS AS AT 31 DEC. 2024	DIRECT HOLDINGS AS AT 31 DEC. 2023	INDIRECT INTEREST	INDIRECT HOLDINGS AS AT 31 DEC. 2023	INDIRECT HOLDINGS AS AT 31 DEC. 2022
1	PHARM. VALENTINE C. OKELU	1,515,783	-	-	-	-
2	MAZI SAMUEL I. OHUABUNWA	142,089,605	142,089,605	MASTA SERVICES COY LTD & ESI OHUABUNWA & SONS LTD	6,146,511 756,346	6,146,511 756,346
3	PROF. MAURICE M. IWU	-	20,093,687	INTERCEDD HEALTH PRODUCTS LTD	450,840,893	450,842,893
4	MR. IKECHUKWU T. ONYECHI	14,465,102	34,461,252	ALPHA PHARMACY & STORES LIMITED	119,510,928	72,503,197
5	MRS. HENRIETTA I. ORJIAKO	-	-	ORDREC INVESTMENTS LIMITED HELKO NIG. LTD.	259,705,920 431,805,222	217701820 191,913,432
6	PHARM. (MRS) ROSELINE A. OPUTA	296, 316	296,316	-	-	-
7	DR. OLUSEGUN E. AKANJI	251,290	-	CLINOSCOPE SERVICES LTD	1,068,276,375	-
8	DR. ATINUKE R. UWAJEH	-	-			
9	MR. CHRISTOPHER OSHIAFI	-	-	DAMITOP CONSULTING LTD -	820,040,820	-
10	MR. ERIC. E. OKORUWA	83,490	-			
11	MRS. PATRICIA O. ADERIBIGBE	-	-	-	-	-
12	MR. ADEYEMI O. ODUSANYA	-	-	-	-	-

ROTATION OF DIRECTORS

In accordance with the provisions of Section 285 of the Companies & Allied Matters, Act, 2020 and Article 89 of the Company's Articles of Association, one third of the Directors of the Company shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election. Accordingly, the Directors retiring by rotation at this Annual General Meeting are Dr. Olusegun Akanji, Dr. Atinuke Uwajeh and Mazi Samuel Ohuabunwa. These Directors, being eligible, will be offering themselves for re-election.

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company in line with Section 303 of the Companies and Allied Matters Act 2020 of any declarable interest in contracts with the Company during the year ended 31st December, 2024.

ANALYSIS OF SHAREHOLDING

Range of Holdings	No. of Holders	Holders %	Units	Units %
1 - 1,000	7,391	23.5	3,344,554	0.078
1,001 - 5,000	12,488	39.7	30,919,319	0.724
5,001 - 10,000	4,460	14.18	32,013,492	0.749
10,001 - 50,000	5,247	16.68	115,577,124	2.705
50,001 - 100,000	939	2.986	68,970,669	1.614
100,000 - 500,000	726	2.308	153,436,377	3.591
500,001 - 1,000,000	94	0.299	64,689,879	1.514
1,000,001 - 5,000,000	79	0.251	160,418,058	3.754
5,000,001 - 10,000,000	11	0.035	76,981,210	1.802
10,000.001 - ABOVE	17	0.054	3,566,753,925	83.47

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 31st December 2024.

S/N	NAMES OF SHAREHOLDERS	UNITS	PERCENTAGE (%)
1.	HELKO NIGERIA LIMITED	431,805,222	10.11%
2.	ORDREC INVESTMENTS LIMITED	259,705,920	6.08%
3.	INTERCEDD HEALTH PRODUCTS	450,842,893	10.55%
4.	CLINOSCOPE SERVICES LIMITED	1,068,276,375	25%
5.	DAMITOP CONSULTING LIMITED	820,040,820	19.19%

VALUE OF ASSETS

Particulars of the changes arising from additions and disposals of Property, Plant and Equipment during the year are contained in Note 16. Details of other assets of the Company as at 31st December 2024 are given in Notes 17 to 21 of the Statement of Financial Position.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to improving the quality of life of the community and environment in which it operates. The Company participates in medical outreaches, religious initiatives, school programmes and community development activities. These are done directly or in partnership with government and non-governmental organizations.

A major key initiative of Neimeth in this regard is the "Fight the Good Fight Against Hypertension" (FITGAH). Under this program, the Company creates and promotes awareness against the dreaded silent killer, hypertension which has become a major cause for concern globally. Through its professional teams, it offers advice to patients and gives free blood pressure (BP) checks at its office at Oregun, Lagos, and our regional and state offices.

To ensure that patients have access to the necessary drugs and do not go on a drug holiday, Neimeth provides one-month free starter anti-hypertensive drugs for new patients. Taking it further, the Company partners with target clinics and health facilities to fight this dreaded silent killer through medical awareness.

COMPANY DISTRIBUTORS

An exclusive distribution agreement was entered into in April 2015 with World Wide Health Care Limited (WWCVL). WWCVL distributed several of the Company's major brands during the year under review.

The names of other Distributors of the Company during the year under review are as follows:

- Iykmavian Pharmacy Ltd, Lagos
- Addmore Pharmacy, Lagos
- Nemmit Pharmacy, Lagos
- Safeline Pharmacy, Lagos
- Spine Products Ltd, Lagos
- New Height Pharm, Lagos
- Danny Faith Pharmacy, Lagos
- Drugmaster Mega- Pharmacy, Ikorodu, Lagos
- Medbest, Pharmacy, Lagos
- Santus Pharmacy, Lagos
- Grace Johnson Pharmacy, Lagos
- Alpha Pharmacy, Lagos
- Mivero Pharmacy, Lagos
- Simko Pharmacy, Ota
- Ramsgate Pharmacy, Ota
- Goodall Pharmacy Ltd, Ibadan
- Fiolu Pharmacy, Ilorin
- Twins Pharmacy, Ado, Ekiti
- Aromokeye Pharmacy, Ilorin
- Eben Pharmacy, Akure
- Royal Michael Pharm, Benin
- Chris G-Bliss Pharmacy, Onitsha
- Onyitex Pharmacy, Onitsha
- Prodave Pharmacy Ltd, Onitsha
- Warmeck Pharmacy, Aba
- Jay Moore Pharmacy, Aba
- Grams Pharmacy, Owerri
- Index Pharmacy, Nnewi
- Ebus Pharmacy, P/Harcourt
- Bez Pharmacy, Calabar
- Bebeto Pharmacy, Calabar
- Samboson Pharmacy, Calabar
- Wino Pharmacy, Markurdi
- New Health Pharmacy Ltd, Abuja
- H-Medix, Pharmacy Abuja
- Klen Pharmacy, Abuja
- Skylark Pharmacy, Abuja
- Green Access Pharmacy, Abuja
- Viina Pharmacy, Zamfara
- La-med Pharmacy, Jos
- Dilimi Pharmacy, Jos
- Dilimi Pharmacy, Jos
- A.S. Sabrinah Pharmacy, Sokoto
- Latnas Pharmacy, Kano
- Tony Pharmacy, Kano
- Mabro Pharmacy, Kaduna
- Nwafor Pharmacy, Kaduna
- Vicnam Pharmacy, Kaduna
- Latnas Pharmacy, Kano
- Tony Pharmacy, Kano
- Figab Pharmacy Lagos
- Bicon Pharmacy, Lagos

COMPANY SUPPLIERS

The Company's significant Suppliers are:

- Sagar Overseas Limited
- Boden Industries Limited
- Sunmark Chemo Limited
- Real Value Trust Limited
- Afkar Printing Publishing Company Limited
- Beta Glass Plc
- Rolandhill Nigeria Limited
- Omnik Limited
- Tarabichi Printing and Packing Nigeria Limited
- Multibase Pharma Industries Nigeria Limited
- Abtevic Pharm. Limited
- Dapson Renny Ventures
- Mich Bamidele Enterprises
- Gharsu Services Limited
- Ethylene Products and Lubricants Limited
- De-Daltex Nigeria Limited
- Temita Scientific Limited
- K3 Packaging Industries
- Sproxil Nigeria Limited
- Worldwide Technologies Limited
- BASF West Africa Limited
- Perfect Packaging Limited
- Pedro Peres Integrated Services
- Katchey Company Limited
- Jostraws Pharmachem Point Nig. Ltd

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 N4,920,811 (2023 – N4,730,066)

RESEARCH AND DEVELOPMENT

Neimeth is committed to innovation and has continued to sustain research into new products development and products life extension through improving existing formulation and dosage forms. Some of the new products which were undergoing product development in the prior year have been registered with NAFDAC and introduced into the market. Others are undergoing either the formulation phase, product registration phase, development stage or market introduction stage.

EMPLOYEE INVOLVEMENT AND TRAINING

At Neimeth, we place high value on employee involvement and participation. We believe that by actively engaging our employees in creating an environment that influences decisions and actions affecting their roles, we foster greater ownership and commitment.

We continuously strive to improve our workplace environment by involving employees in decision-making and planning processes at all levels. Every employee is recognized as unique, and their contributions are both solicited and valued by management.

Key elements of our employee involvement strategy include promoting team effectiveness, enhancing productivity, fostering clear communication, encouraging problem-solving and developing reward and recognition systems. In return, we are committed to treating all employees equitably, fairly and with dignity, ensuring consistency in our approach. Our recruitment process reflects these values, as we operate a non-discriminatory policy that focuses solely on experience and qualification. We welcome applications from the most qualified candidates, irrespective of gender, ethnicity, religion, or physical condition.

To support our employees' growth, we provide structured training programs designed to enhance skills and improve job performance. Performance Management is a strong tool for employee advancement and succession planning.

We are proud of our culture of inclusivity and diversity and remain committed to supporting our employees every step of the way.

HEALTH, SAFETY AND WELFARE OF EMPLOYEE

Environmental Management Policy

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

Accordingly, we constantly monitor our emission of green-house gases and ensure we reduce our carbon footprint through proper and periodic maintenance of our generators, proper servicing of our transport vehicles and an annual corporate environmental objective which includes the planting of between 2-5 trees. Environmental audits are also carried out regularly and statutorily as required by law, at the end of which corrective and preventive actions are put in place to forestall any future occurrence. This is achieved through the implementation of ISO 14001: 2015 and the continuous improvement of the Environmental Management System (EMS)

Environmental Sustainability

At Neimeth, we make use of a wide range of resources like fuel, water and paper. The usage of these natural resources is monitored and measured and operational controls put in place to avoid wastages, thereby promoting sustainability of these natural resources. In the case of water usage, this is achieved through the metering of the portable and de-ionized water lines and conducting regular leak audits which are quickly addressed. The percentage water usage in 2023 was 2.18%, while the usage in 2024 was not documented because the water line was under maintenance. Better water usage culture has been adopted by staff as well as better awareness initiatives created in the case of paper usage. Sending more memos via emails than hard copies and the use of both sides of the paper has reduced the paper used annually, thereby ensuring sustainable operations. On energy usage, a lot of improvement was also recorded.

We have done a lot in the area of waste to landfill management through the introduction of various initiatives and as such we have maintained a reasonable waste to landfill percentage but with continuous improvement on the forefront of our priority burner for subsequent years. In 2024, we further ensured the reduction of our waste to landfill by disposing off various recyclables to middlemen who would resell them and maintained a general waste percentage of 0.9% due basically to rubbles generated during the Plant upgrade in 2023.

Some of our initiatives employ the three Rs technique of Re-use, Reduce and Recycle. This we have been able to achieve through the segregation of our waste as comingling of waste was formerly the order of the day. Some of the waste like nylon, paper and waste cartons are sold to middle men which becomes raw material for some other companies, thereby converting waste to wealth. Some of the production waste from the natural products are sold to pig farmers and used as feed for the pigs.
The Extended Producer Responsibility (EPR) is our target, whereby we will be responsible for the waste generated by the last item in our production process.

Health & Safety
At Neimeth, we are committed to conducting our manufacturing processes in a safe and accident -free environment for all employees, contractors and visitors.
We have built a safety culture in our personnel through regular trainings, teaching them that their safety is in their hands and that safety is everybody's responsibility and not only a function of the Management. The management has on its own part made tremendous strides towards the provision of various controls both engineering and administrative and has also made adequate provision of PPEs for employees. The target is to have a zero accident environment where the employees come to work safe and go back same. Visual aids in the form of safety signs have been made in the simplest of forms and language so that even the unlettered can decipher them. Employees are encouraged to report near misses, accident investigations are carried out accordingly and CAPA (Corrective and Preventive Actions) are put in place. This giant stride is a huge improvement from previous years.

One Lost Time Accident was recorded in 2023, while none was recorded in 2024. Our target remains zero accidents which we strive to achieve through regular safety awareness programs and internal trainings for the personnel. The Management has so embraced safety, such that a week- long activity had been introduced, known as "Safety Week" where various safety trainings are given to the personnel as well as First Aid and CPR training.

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 31 December, 2024 which had not been adequately provided for or disclosed.

AUDITORS
Messrs. BDO Professional Services has indicated their willingness to continue in office as the Company's auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed at the Annual General Meeting authorizing the Directors to determine their remuneration.

By Order of the Board.

Mrs. Chinenye. S. Adekanmbi
Company Secretary
FRC/2024/PRO/NBA/004/657332

The Companies and Allied Matters Act, 2020, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of the profit or loss for the year ended 31 December 2024, and in so doing they ensure that:

a) Proper accounting records are maintained;

b) Applicable accounting policies are adopted and consistently applied;

c) Judgments and estimates made are reasonable and prudent;

d) The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and

e) Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Company and prevent and detect fraud and other irregularities.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the accounts comply with the Companies and Allied Matters Act, 2020 and the provisions of the International Financial Reportng Standards (IFRS) issued by International Accounting Standards Board (IASB), in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), in complaince with the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the requirements of the Companies and Allied Matters Act, 2020.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

J.V.C.I.

Pharm. Valentine C. Okelu	**Mr. Christopher Oshiafi**
Managing Director/CEO	**Chairman**
FRC/2023/PRO/DIR/003/655491	**FRC/2014/PRO/DIR/003/00000007065**

In line with the provisions of Section 405 of the Companies and Allied Matters Act, 2020; we have reviewed the audited financial statements of the Company for the year ended 31 December 2024 and based on our knowledge confirm as follows:

a) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;

b) the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as at and for the year ended 31 December 2024;

c) the Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditor in the course of the audit;

d) the Company's internal controls were evaluated within 90 days of the financial reporting date and were effective as at 31 December 2024;

e) that we have disclosed to the Auditor that there are no significant deficiencies in the design or operations of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the Auditor any weaknesses in internal controls observed in the course of the Audit;

f) that we have disclosed to the Auditor that there is no fraud involving management or other employees who have significant role in the Company's internal control; and

g) there are no significant changes in internal controls or in other factors which could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Mrs. Nonye E. Offorjamah
Head of Finance
FRC/2024/PRO/ICAN/001/323635

Pharm. Valentine C. Okelu
Managing Director/CEO
FRC/2023/PRO/DIR/003/655491

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
MANAGEMENT REPORT ON THE ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31 DECEMBER 2024

Management of Neimeth International Pharmaceutical Plc ("the Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to Management and the Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control system is supported by written policies and procedures, incorporates self monitoring mechanisms, and is subject to internal audit reviews. When deficiencies are identified, Management takes appropriate corrective actions. However, like all internal control systems, inherent limitations exist, including the potential for circumvention or overriding of controls.

As of 31 December 2024, Management conducted an assessment of the effectiveness of internal control over financial reporting using the COSO 2013 Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, Management ascertained that, as of 31 December 2024, the Company's internal control over financial reporting was properly designed and operating effectively. Furthermore, no material weaknesses were identified in the Company's internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2024, has been audited by an independent registered accounting firm.

28 April 2025

Mr. Christopher Oshiafi	J.V.C.I. **Pharm.Valentine C. Okelu**
Chairman	**Managing Director / CEO**
FRC/2014/PRO/DIR/003/00000007065	**FRC/2023/PRO/DIR/003/655491**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
CERTIFICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31 DECEMBER 2024

I, the Managing Director/Chief Executive Officer, certify that:

(a) I have reviewed the 2024 Annual Financial Statements of Neimeth International Pharmaceuticals Plc ['the Company']

(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(c) Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as at 31 December 2024 presented in this report;

(d) I, the undersigned:

(i) are responsible for establishing and maintaining internal controls;

(ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under my supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(iii) have designed such internal control system, or caused such internal control system to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report my conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2024 covered by this report based on such evaluation.

e) I, the undersigned, have disclosed, based on my most recent evaluation of internal control system, to the Company's auditor (BDO Professional Services) and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):

(i) that there were no significant deficiencies and material weaknesses in the design or operation of the internal control system which could reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(ii) that there was no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) I, the undersigned, have ascertained that there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies and material weaknesses.

28 April 2025

PHARM. VALENTINE C. OKELU
Managing Director/CEO
FRC/2023/PRO/DIR/003/65541

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
CERTIFICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31 DECEMBER 2024

I, the Head of Finance, certify that:

(a) I have reviewed the 2024 Annual Financial Statements of Neimeth International Pharmaceuticals Plc ['the Company']

(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(c) Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as at 31 December 2024 presented in this report;

(d) I, the undersigned:

(i) are responsible for establishing and maintaining internal controls;

(ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under my supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(iii) have designed such internal control system, or caused such internal control system to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(iv) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report my conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2024 covered by this report based on such evaluation.

e) I, the undersigned, have disclosed, based on my most recent evaluation of internal control system, to the Company's auditor (BDO Professional Services) and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):

(i) that there were no significant deficiencies and material weaknesses in the design or operation of the internal control system which could reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(ii) that there was no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) I, the undersigned, have ascertained that there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to deficiencies and material weaknesses.

28 April 2025

MRS. NONYE E. OFFORJAMAH
Head of Finance
FRC/2024/PRO/ICAN/001/323635

BDO

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P. O. Box 4929, GPO, Marina
Lagos, Nigeria

Assurance Report of Independent Auditor
To the Shareholders of Neimeth International Pharmaceuticals Plc
Assurance Report on Management's Assessment of Controls over Financial Reporting

We have performed a limited assurance engagement on Neimeth International Pharmaceuticals Plc ("the Company") internal control over financial reporting as of 31 December 2024, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting and Securities and Exchange Commission (SEC) Guidance on Management Report on Internal Control Over Financial Reporting. Neimeth International Pharmaceuticals Plc's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management are not adequate as of the specified date, based on the FRC/SEC Guidance on Management Report on Internal Control Over Financial Reporting.

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

The Firm applies the International Standard on Quality Management 1, Quality Management for firms that perform audit or review of financial statements, or other assurance or related services engagement which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We conducted our Assurance engagement in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

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

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that:

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;
ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and
iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0419074

BDO Professional Services - FRC/2024/COY/398515
Olugbemiga A. Akibayo, FCA - FRC/2013/PRO/ICAN/004/00000001076
For: BDO Professional Services
Lagos, Nigeria
30 April 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Neimeth International Pharmaceuticals Plc which comprise, the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the Companies and Allied Matters Act, 2020.

Basis for Opinion

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

Going Concern Consideration

We draw attention to Note 40 of the financial statements on management assessment of going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Valuation of Trade receivables- Expected Credit Loss

Risk

The Company is exposed to credit risk arising from the Company's trade receivables.The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9. The ECL model involves the application of considerable level of judgements and estimation in determining inputs which are derived from historical records obtained within and outside the Company in formulating the financial model. The model also requires assumptions in the estimation of foward looking macro-economic variables in computing the probability of default (PD). The appropriateness of impairment calculation for long overdue debts which require significant management's judgements and assumptions, makes it a key audit matter

Our response

Our audit procedures in response to the risk included, amongst others:

- Assessed and tested the design and operating effectiveness of the controls over impairment calculations
- Reviewed the age analysis of trade receivables and internal controls over recoverability of receivables

- Reviewed impairment model adopted by management and evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and is in agreement with our understanding of the business and the industry in which the Company operates
- Challenged management's assessment on the recoverability of overdue receivables, collection pattern, considering historical patterns of debt and repayment as well as recent communications with their counterparties
- Evaluated the accounting principles underlying revenue recognition which form the basis for the recognition of trade receivables

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, the statement of Directors' responsibilities and the statement of corporate responsibility but does not include the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the Audit of the Financial Statements

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

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

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

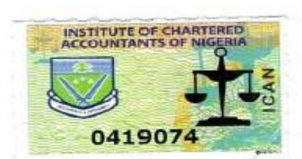
Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii) in our opinion, proper books of account have been kept by the Company, and
iii) the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Olugbemiga A. Akibayo, FCA
FRC/2013/PRO/ICAN/004/00000001076
For: BDO Professional Services
Chartered Accountants

30 April 2025
Lagos, Nigeria



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 N'000	Restated 2023 N'000
Revenue	8	4,485,116	2,209,591
Cost of sales	9	(2,527,394)	(1,475,521)
Gross profit		1,957,722	734,070
Other operating Income	10	1,417,748	1,355,359
Marketing and distribution expenses	11	(680,453)	(792,382)
Administrative expenses	12	(628,176)	(868,115)
Foreign exchange loss	13	(2,047,955)	(1,450,654)
Operating profit/(loss)		**18,886**	(1,021,722)
Finance costs	14	(873,320)	(667,948)
Loss before taxation		**(854,434)**	(1,689,670)
Income tax expense	29	(30,899)	(107,881)
Loss for the year		(885,333)	(1,797,551)
Other Comprehensive Income			
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive loss		(885,333)	(1,797,551)
Basic loss per share (kobo)	33	(21)	(42)
Diluted loss per share (Kobo)	33	**(21)**	**(42)**

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

Auditor's report, pages 1 to 3

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	Notes	2024 N'000	Restated 2023 N'000
Assets			
Non-current assets			
Property, plant and equipment	16	4,209,211	3,664,784
Investment properties	17	2,024,585	1,100,926
Intangible assets	18	19,003	-
		6,252,799	4,765,710
Current assets			
Inventories	19	1,868,341	2,065,281
Trade and other receivables	20	1,616,290	844,043
Other assets	21	103,395	75,013
Cash and cash equivalents	22.1	2,146,658	2,429,182
		5,734,684	5,413,519
Total assets		11,987,483	10,179,229
Liabilities			
Current liabilities			
Trade and other payables	25	4,350,944	2,569,677
Bank overdraft	23.4	201,988	176,348
Current portion of long term borrowings	23.1	4,859,136	3,883,012
Finance lease liabilities	30	28,789	40,635
Current tax payable	27	87,228	68,815
Deferred fair value gain on loan	24.1	316,685	406,708
		9,844,770	7,145,195
Non-current liabilities			
Non-current portion of long term borrowings	23.1	294,672	288,178
Deferred fair value gain on loan	24.2	90,023	102,505
Deferred tax liability	28	106,226	106,226
		490,921	496,909
Total liabilities		10,335,691	7,642,104
Net assets		1,651,792	2,537,125
Equity			
Share capital	31.1	2,136,552	2,136,552
Share premium	31.3	2,377,756	2,377,756
Accumulated losses	32	(2,862,516)	(1,977,183)
Total equity		1,651,792	2,537,125

These financial statements were approved and authorised for issue by the Board of Directors on 28 April 2025 and signed on its behalf by:

J.V.C.I.

Mr. Christopher Oshiafi	**Pharm.Valentine C. Okelu**	**Mrs. Nonye E. Offorjamah**
Chairman	**Managing Director / CEO**	**Head of Finance**
FRC/2014/PRO/DIR/003/00000007065	**FRC/2023/PRO/DIR/003/655491**	**FRC/2024/PRO/ICAN/001/323635**

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

Auditor's report, pages 1 to 3

	Share capital N'000	Share premium N'000	Accumulated losses N'000	Total equity N'000
At 1 January 2023	949,579	8,821	(179,632)	778,768
Changes in equity for the year				
Loss for the year	-	-	(1,797,551)	(1,797,551)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,797,551)	(1,797,551)
Total Contributions by and distributions to owners of Company recognised directly in equity				
Rights issue	1,186,973		-	1,186,973
Share premium on rights issue	-	2,523,498	-	2,523,498
Transaction costs for equity issue	-	(154,563)	-	(154,563)
	1,186,973	2,368,935	-	3,555,908
At 31 December 2023	2,136,552	2,377,756	(1,977,183)	2,537,125
At 1 January 2024	2,136,552	2,377,756	(1,977,183)	2,537,125
Changes in equity for the year				
Loss for the year	-	-	(885,333)	(885,333)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(885,333)	(885,333)
Total Contributions by and distributions to owners of Company recognised directly in equity	-	-	-	-
	-	-	-	-
At 31 December 2024	2,136,552	2,377,756	(2,862,516)	1,651,792

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

Auditor's report, pages 1 to 3

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 N'000	Restated 2023 N'000
Loss for the year		(854,434)	(1,689,670)
Adjustments for:			
Depreciation of property, plant and equipment	16	129,986	125,218
Depreciation of investment properties	17	-	869
Amortisation of intangible asset	18	9,502	-
Profit on disposal of property, plant and equipment	10	(3,600)	(969)
Reclassification-Overdraft	23	-	(176,348)
Finance costs	14	873,320	667,948
Fair value gain on investment properties	10	(923,659)	(1,067,785)
		(768,885)	(2,140,737)
Changes in:			
Inventories		196,940	(346,131)
Trade and other receivables		(772,247)	547,797
Other assets		(28,382)	(12,029)
Trade and other payables		1,781,268	1,303,527
Cash generated/(used in) from operating activities		408,694	(647,573)
Income tax paid	27	(12,486)	(125,835)
Net cash generated from/(used in) operating activities		396,208	(773,408)
Cash flows from investing activities			
Purchase of property plant and equipment	16	(702,919)	(936,136)
Proceed from disposal of property, plant and equipment	10.1	3,600	2,251
Net cash used in investing activities		(699,319)	(933,885)
Cash flows from financing activities			
Repayment of loans	23	(50,000)	(214,583)
Finance cost paid	14	(866,790)	(661,454)
Finance lease liabilities	30	(11,846)	40,635
Proceeds from Rights Issue	31.1&31.3	-	3,710,471
Rights issue expenses	31.3	-	(154,563)
Net cash (used in)/generated from financing activities		(928,636)	2,720,506
Effect of exchange rate changes on cash and cash equivalents		923,583	791,251
Net (decrease)/increase in cash and cash equivalents	23	(1,231,747)	1,013,213
Cash and cash equivalents at 1 January	22.2	2,252,834	448,370
Cash and cash equivalents at 31 December	22.2	1,944,670	2,252,834

The accompanying 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 Exchange Limited (NGX) was incorporated on 30 August 1957 as a limited liability company and commenced operations in January 1958. On 14 May 1997, Pfizer Inc. NY divested from the Company through a management buyout.

1.2 Principal activities

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

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the requirements of the Companies and Allied Matters Act, 2020. Additional information required by local regulators has been included where appropriate.

2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments and land and buildings measured at fair value.

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

2.3 Going concern assessment

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

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

2.6 Changes in accounting policies

(a) New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilites as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 — Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the financial statements of the Company.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants. The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Company. However, the classification of certain borrowings has changed from non- current to current as result of the application of the amendments for the current financial year as well as the comparative period.

(b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity(Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability:Disclosures.

The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items.

These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company does not expect to be eligible to apply IFRS 19.

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 assets 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 the 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 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.

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 amounts to their residual values over their estimated useful lives, as follows:

	%
Land	Nil
Buildings	3
Office equipment and furniture	10
Machinery and equipment	10
Motor vehicles	20
Computer equipment	$33^1/_3$

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

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

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 other 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 Investment properties

Investment properties are properties that are held for long-term rental yields or for capital appreciation or both, that are not occupied by any of the departments within the Company. Investment properties are carried in the statement of financial position at their market value and revalued at regular interval on a systematic basis yearly. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment while its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its carrying amount at the date of change in use.

An external, independent valuer, having appropriate recognised professional qualifications, certified by the Financial Reporting Council (FRC) of Nigeria and with recent experience in the location and category of the investment properties being valued, values the Company's investment properties.The fair value are based on market value, being the estimated amount for which a property could be sold between market participants at a measurement date.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is recognised in the profit or loss in the period of the derecognition.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties are not subject to periodic charge for depreciation.

3.4 Inventories

Inventories are valued using standard costing method of valuation. However, standard cost approximates to actual cost of valuation. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.

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

3.5 Impairment of non-financial assets

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

3.6 Financial instruments

Recognition and initial measurement

Financial instruments carried at statement of financial position date include the loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below:

3.6.1 Financial assets

Initial recognition and measurement of financial assets

The Company classifies its financial assets at initial recognition and subsequently measured at amortised cost, at fair value through other comprehensive income (OCI) and fair value through profit or loss.

The Company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss, at fair value through OCI or at amortised cost. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.6.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss (the Company however has no financial instrument in this category).

(a) Financial assets at fair value through profit or loss

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.

(b) Financial assets at fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

(c) Financial assets carried at amortised cost

The Company assesses at each end of the reporting date 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

- 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 flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

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 group 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.

3.6.3 Financial liabilities

3.6.3.1 Initial recognition and measurements

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

3.6.3.2 Derecognition

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

3.6.4 Impairment of financial assets

3.6.4.1 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its trade receivables, equity instruments and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.6.4.2 Credit-impaired financial assets

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the customer's financial difficulty, granting to the customer a concession that the Company would not otherwise consider;
- it becomes probable that a counterparty/customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets:
- the financial asset is 360 days and above past due.

A trade receivable debt that has been renegotiated due to a deterioration in the customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

3.6.4.3 Presentation of allowance for ECL

Trade receivable allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and

- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

3.7 Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

3.8 Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 ECL Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair values.

3.9 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.

The entity subsequently measures all equity investments at fair value. Where the entity's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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.

3.10.1 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

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

3.10.2 Deferred fair value gain on loans

Deferred fair value gain on loans are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the gains will be received. Deferred fair value gain on loans are recognised in profit or loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the gains are intended to compensate. Specifically, deferred fair value gain on loans whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. The amount recognised as deferred fair value gain on loan is recognised in profit or loss over the year the related expenditure is incurred.

Deferred fair value gain on loans that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the year in which they become receivable. The benefit of a deferred fair value gain on loans at a below-market rate of interest is treated as a deferred fair value gain on loans, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and it is amortised over the life span of the loan.

3.11 Cash and cash equivalents

Cash and 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.

3.12 Trade and other payables

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of other payables to approximate their fair value.

3.13 Employee benefits

3.13.1 Defined contribution plan

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

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

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

3.13.2 Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possible withdrawal , to a formal detailed 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 expense 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.

3.13.3 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.

3.14 Taxation

The tax expense for the year 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 date 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 financial assets through OCI and cash flows 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.

3.15 Provisions

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

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

3.16 Revenue recognition

3.16.1 **Identification of contracts**

Every revenue from contracts with customers begins with identification of a contract which can either be written,oral or implied by the Company's business practices and should meet all the following criteria:

(a) The contract must have commercial substance.

(b) The contract must be approved by all parties to the contract.

(c) Each party's rights regarding products to be transferred can be identified.

(d) The payment terms for products to be transferred can be identified.

(e) Each party is committed to perform their obligation.

(f) It is probable that the Company will collect the consideration to which it is entitled.

3.16.2 Performance obligation and timing of revenue recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Company's activities and is stated net of value-added tax (VAT). The Company derived revenue principally from the manufacturing and marketing of pharmaceutical and animal health products. Revenue is recognised at a point in time when control of goods has been transferred, being when the products are delivered to the customers (end users). Delivery occurs when the products have been shipped to the specific location and the control has been transferred and evidence of delivery received from the customers and the Company has objective evidence that all criteria for acceptance have been satisfied. No sales are reported if control of the goods has not been transferred to the customers.

3.16.3 Determining the transaction price

Most of the Company's revenue is derived from fixed price contract and the amount of revenue to be earned from each contract is determined by reference to those fixed prices. The Company has full discretion over the price to sell the products.

3.16.4 Allocating amounts to performance obligation

For most contracts, there is a fixed unit price for each of the products sold. There is no judgement involved in allocating the contract price to each unit ordered in such contract (It is the total contract price divided by the number of units ordered). Where a customer orders more than one item, the Company is able to determine the split of the total contract price between each product by referencing to each product's stand alone selling prices.

3.16.5 Revenue recognition

Revenue is recognised when the Company satisfies performance obligation.Satisfaction occurs when the Company transfers control of products to the customers.Control is the ability to direct the use and obtain substantially all of the remaining benefits from an asset.

3.17 Foreign currencies

Foreign currency transactions

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

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

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

3.18 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 judgements

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

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) Impairment of FVOCI financial assets

The Company determines that FVOCI 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 flows. 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.

(b) 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.

(c) Others are:

- Residual values of items of property, plant and equipment.
- Estimated useful lives of item of property, plant and equipment.
- Allowance for obsolete stock.
- 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 goal, 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.

- To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- 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.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- 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:

	2024 N'000	2023 N'000
Financial assets		
Trade and other receivables (Note 19)	1,616,290	844,043
Cash and cash equivalents (Note 21.2)	2,146,658	2,429,182
Ageing of past due receivables:		
0 - 90 days	177,256	159,975
91 - 180 days	144,697	130,590
181 - 270 days	32,989	29,773
271 - 365 days	29,455	26,583
Over 365 days	43,069	20,586
Total (Note 19.2)	427,466	367,507

The Company allows an average debtors period of 30 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.

(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 its exposure to liquidity risk.

(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 share capital, share premium and retained earnings).

The debt-to-capital ratios at 31 December 2024 and its comparative period were as follows:

	2024	2023
	N'000	N'000
Total liabilities	10,335,691	7,642,104
Total liabilities and equity	11,987,483	10,179,229
Debt-to-capital ratio	0.86	0.75

The increase in the debt-to-capital ratio during 2024 resulted primarily from the increase in the entity's borrowings.

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

There was no significant change to its capital structure during the year.

7. Financial instruments and fair values

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

	2024	2023
	N'000	N'000

8. Segment information

8.1 Operating segments

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

Pharmaceuticals product group:
This includes the marketing and sales of the Company's branded products, and the consumer products group.

Animal health product group:
This includes the marketing and sales of poultry and large animal range of anthelmintic as well as production enhancing medicaments.

	2024 N'000	2023 N'000
Pharmaceuticals	4,300,861	2,066,755
Animal health	184,255	142,836
	4,485,116	2,209,591

8.2 Geographical segments

The Company operates in two geographic regions namely Nigeria and Ghana.

	2024 N'000	2023 N'000
Nigeria	4,485,116	2,209,591
Ghana	-	-
	4,485,116	2,209,591

The reported revenue for animal health segment is not significant to the total revenue, 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.

9. Cost of sales

	N'000	N'000
Raw material		
Opening stock at 1 January	1,080,915	781,154
Add purchases	1,447,479	1,466,343
	2,528,394	2,247,497
Less: Closing stock at 31 December (Note 19)	(915,338)	(1,080,915)
Product Cost	1,613,056	1,166,582

	2024	2023
Factory overhead expenses	**N'000**	**N'000**
Production salaries and wages (Note 33.4.1)	242,148	257,770
Power and fuel	144,264	130,299
Factory other expenses	176,191	143,238
Depreciation: - Plant and machinery (Note 16.1)	80,058	81,097
Amortisation of intagible assets (Note 18.1)	2,607	-
Obsolete inventory written down (Note 19.2)	143,085	-
Decrease/(increase) in finished goods	144,557	(380,569)
(Increase)/decrease in work in progress	(25,096)	77,555
Decrease/(increase) in spares parts	6,524	(451)
	914,338	308,939
	2,527,394	1,475,521

		Restated
10. Other operating income	**N'000**	**N'000**
Sundry receipts	26,111	1,271
Sales of scrap	20,932	8,276
Fair value gain on investment properties (Note 10.4)	923,659	1,067,785
Interest Income (Note 10.1)	231,387	129,229
Profit on disposal of property plant and equipment (Note 10.2)	3,600	969
Lease rental income (Note 10.3)	28,800	28,800
Provision no longer required	80,754	-
Fair value adjustment	102,505	119,029
	1,417,748	1,355,359

10.1. Interest income represent interest on matured investments with banks.

	N'000	**N'000**
10.2. Gain on disposal of property, plant and equipment		
Cost (Note 16)	4,000	49,744
Accumulated depreciation (Note 16)	(4,000)	(48,462)
Carrying amount	-	1,282
Proceeds on disposal	(3,600)	(2,251)
Profit on disposal	3,600	969

10.3. This represents leased rental income from Neimeth investment properties (former office complex) at 1 Henry Carr, Ikeja.

	N'000	**N'000**
10.4. Fair value gain on investment properties		
Cost (Note 17)	923,659	1,051,499
Accumulated depreciation (Note 17)	-	16,286
	923,659	1,067,785

	2024	2023
11. Marketing and distribution expenses	**N'000**	**N'000**
Advert and promotions	192,931	363,673
Amortisation of intagible assets (Note 18.1)	1,083	-
Communications and subscriptions	801	400
Corporate expenses	5,882	10,173
Depreciation of motor vehicles (Note 16.1)	35,908	34,594
Donations	-	1,037
Employee costs (Note 34.4.1)	264,989	262,589
Energy cost	15,138	19,847
Medical expenses	157	116
Printing and stationeries	234	144
Product registration expenses	8,571	8,620
Rent and rates	4,165	4,026
Repairs and maintenance	13,399	13,957
Telephone and postages	3,299	3,316
Training and seminar	43,924	-
Transport and travelling	87,306	68,760
Others	2,666	1,130
	680,453	792,382

12. Administrative expenses	**N'000**	**N'000**
Employee costs (Note 34.4.1)	222,709	268,765
Impairment allowance for trade and other receivables (Note 20.2)	59,959	261,043
Corporate expenses	16,923	78,114
Transport and travelling	87,576	68,302
Legal, consultancy and professional fees	31,690	18,445
Energy cost	6,615	8,990
Bank charges and commission	9,527	17,758
Insurance	30,456	25,641
Repairs and maintenance	8,771	10,959
Printing and stationeries	5,816	3,590
Training and seminar	-	1,030
Conference and meetings	28,691	3,967
Medical expenses	21,242	15,727
Telephone and postages	13,204	13,328
Communications and subscriptions	9,542	4,851
Depreciation: - Office and computer equipment (Note 16.1)	14,020	9,527
- Investment properties (Note 17)	-	869
Amortisation of intangible assets (Note 18.1)	5,812	-
Audit fees	9,000	8,000
Gift and donation expenses	-	720
Security expenses/laboratory expenses	5,505	3,420
Industrial relations expenses	-	32,129
Back duty assessment (Note 12.1)	-	7,565
Others (Note 12.2)	41,118	5,375
	628,176	868,115

12.1 Back duty assessment represents payment made for additional tax liabilities of N4.53 million and N3.1 million on VAT and withholding taxes respectively as a result of tax audit conducted by the Federal Inland Revenue Service (FIRS) on 2020 and 2021 financial years.

12.2 Others represent cateen expenses, clinical/ laboratory testing expenses and other office expenses..

	2024	2023
13. Foreign exchange loss	**N'000**	**N'000**
Loss on currency translation	(2,047,955)	(1,450,654)

14. Finance costs	**N'000**	**N'000**
Interest expenses	864,281	667,948
Interest on lease	9,039	-
	873,320	667,948
Less accrued interest in the year		
Accrued interest (Note 23.1)	6,530	6,494
	6,530	6,494
Finance costs	866,790	661,454

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

	Note	Financial assets		Financial liabilities		
		Fair value through profit or loss	Amortised cost	Amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000
At 31 December 2024						
Assets						
Trade and other receivables	20	-	1,616,290	-	1,616,290	1,616,290
Cash and cash equivalents	22.2	2,146,658	-	-	2,146,658	2,146,658
		2,146,658	1,616,290	-	3,762,948	3,762,948
Liabilities						
Trade and other payables	25	-	-	4,350,944	4,350,944	4,350,944
Borrowings (Current portion)	23.1	-	-	4,859,136	4,859,136	4,859,136
Finance lease obligation	30			28,789	28,789	28,789
		-	-	9,238,869	9,238,869	9,238,869
At 31 December 2023						
Assets						
Trade and other receivables	20	-	844,043	-	844,043	844,043
Cash and cash equivalents	22.1	2,429,182	-	-	2,429,182	2,429,182
		2,429,182	844,043	-	3,273,225	3,273,225
Liabilities						
Trade and other payables	25	-	-	2,569,677	2,569,677	2,569,677
Borrowings (Current portion)	23.1	-	-	3,883,012	3,883,012	3,883,012
Finance lease obligation	30			40,635	40,635	40,635
		-	-	6,493,324	6,493,324	6,493,324

15.1 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payables 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 period.

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

15.2 Fair value measurements recognised at the reporting date

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

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

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

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

16. Property, plant and equipment

	Land	Building	Machinery and equipment	Furniture and fittings	Motor vehicles	Computer equipment	Capital work in progress	Right-of-Use Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
At 1 January 2023	85,865	165,749	1,243,134	116,795	482,178	88,319	1,882,873	88,078	4,152,991
Additions	-	17,878	24,275	10,806	-	5,816	877,361	-	936,136
Reclassification from/(to) CWIP	-	-	(205,474)	-	-	-	205,474	-	-
Disposals	-	-	(4,888)	-	(44,220)	(636)	-	-	(49,744)
Reclassification	-	-	-	-	88,078	-	-	(88,078)	-
At 31 December 2023	85,865	183,627	1,057,047	127,601	526,036	93,499	2,965,708	-	5,039,383
At 1 January 2024	85,865	183,627	1,057,047	127,601	526,036	93,499	2,965,708	-	5,039,383
Additions	-	-	-	-	-	-	702,918	-	702,918
Reclassification from/(to) CWIP	-	69,808	69,196	3,882	55,376	1,970	(200,232)	-	-
Transfer to intangible assets (Note 18)	-	-	-	-	-	-	(28,505)	-	(28,505)
Disposals	-	-	-	-	(4,000)	-	-	-	(4,000)
At 31 December 2024	85,865	253,435	1,126,243	131,483	577,412	95,469	3,439,889	-	5,709,796
Accumulated depreciation and impairment losses									
At 1 January 2023	-	22,652	675,657	81,317	354,511	75,629	-	88,077	1,297,843
Charge for the year	-	5,246	70,313	4,490	37,556	7,613	-	-	125,218
On disposals	-	-	(4,888)	-	(42,938)	(636)	-	-	(48,462)
Reclassification	-	-	-	-	88,077	-	-	(88,077)	-
At 31 December 2023	-	27,898	741,082	85,807	437,206	82,606	-	-	1,374,599
At 1 January 2024	-	27,898	741,082	85,807	437,206	82,606	-	-	1,374,599
Charge for the year	-	6,940	65,906	7,642	42,634	6,864	-		129,986
On disposals	-	-	-	-	(4,000)	-	-	-	(4,000)
At 31 December 2024	-	34,838	806,988	93,449	475,840	89,470	-		1,500,585
Carrying amounts									
At 31 December 2024	**85,865**	**218,597**	**319,255**	**38,034**	**101,572**	**5,999**	**3,439,889**	**-**	**4,209,211**
At 31 December 2023	**85,865**	**155,729**	**315,965**	**41,794**	**88,830**	**10,893**	**2,965,708**	**-**	**3,664,784**

16.1

Analysis of depreciation charged is as follows:	**2024**	**2023**
	N'000	N'000
Cost of sales (Note 9)	80,058	81,097
Marketing and distribution expenses (Note 11)	35,908	34,594
Administrative expenses (Note 12)	14,020	9,527
	129,986	125,218

16.2

Depreciation charged is included in the administrative expenses and cost of sales in the statement of profit or loss and other comprehensive income. Property, plant and equipment include amounts of motor vehicles which the Company acquired under finance lease agreements, now treated as Right-of-use assets.

16.3 Capital work in progress represents plant and equipment items under manufacturing for the upgrade of Oregun plant and the ongoing construction work in Amawbia (Anambra state).

16.4 The Company's property, plant and equipment have been used as a collateral for borrowings and are secured over the fixed and floating assets of the Company.

16.5 None of the Company's property, plant and equipment have been charged for impairment (2023: Nil)

16.6 During the year ended 31 December 2024, the Company total borrowing costs capitalized as part of the cost of qualifying assets under construction was N126,664,352 as at 31 December 2024.

17. Investment properties	**Restated Land**	**Restated Building**	Total
Cost	**N'000**	**N'000**	**N'000**
At 1 January 2023	**20,467**	**28,960**	49,427
Fair value gain	906,689	144,810	1,051,499
At 31 December 2023	927,156	173,770	1,100,926
At 1 January 2024	927,156	173,770	1,100,926
Fair value gain	708,466	215,193	923,659
At 31 December 2024	1,635,622	388,963	2,024,585
Accumulated depreciation and impairment losses			
At 1 January 2023	-	15,417	15,417
Charge for the year	-	869	869
Fair value impact	-	(16,286)	(16,286)
At 31 December 2023	-	-	-
At 1 January 2024	-	-	-
Charge for the year	-	-	-
At 31 December 2024	-	-	-
Carrying amounts			
At 31 December 2024	**1,635,622**	**388,963**	2,024,585
At 31 December 2023	**927,156**	**173,770**	**1,100,926**

17.1 Investment properties represent Neimeth office complex at 1 Henry Carr Street, Ikeja. The office complex is currently held for capital appreciation and lease rental. During the year ended 31 December 2024, the Company recognised N28,800,000 (2023 : N28,800,000) as rental income in the statement of profit or loss and other comprehensive income from the investment properties. It is the management's intention to continue to keep this property as investment property. In the year under review, the Company changed its accounting policy on investment properties from Cost model used in prior years to fair value model. Adequate restatement disclosures have been made for the effects of the change in accounting policy in Note 42 of these financial statements in accordance with the provisions of International Accounting Standard (IAS)8 - Accounting policies, Changes in Accointing Estimates and Errors.

17.2 Valuation of the investment properties

Leasehold land and buildings were valued by Tope Ojo & Tunde Olonisakin Estate Surveyors, Valuers and Auctioneers Chartered Surveyors who hold a recognised and relevant professional qualification, and has recent experience in the location and category of the investment property being valued. The valuation was carried out on current open market valuation basis. The valuation produced a fair value gain of N923.66million (2023: N1.07billion). The valuation report was signed by Ojo Temitope Olayinka with FRC number FRC/2024/PRO/NIESV/004/821625

18. Intangible assets	**Computer Software**	**Total**
Costs	**N'000**	**N'000**
At 1 January 2023	-	-
Additions	-	-
At 31 December 2023	-	-
At 1 January 2024	-	-
Transfer from Capital Work-in-Progress (Note 16)	28,505	28,505
At 31 December 2024	28,505	28,505
Amortisation		
At 1 January 2023	-	-
Charge for the year	-	-
At 31 December 2023	-	-
At 1 January 2024	-	-
Charge for the year	9,502	9,502
At 31 December 2024	9,502	9,502
Carrying amount at:		
31 December 2024	N19,003	N19,003
31 December 2023	-	-

	2024	**2023**
18.1 Analysis of amortisation charged is as follows:	**N'000**	N'000
Cost of sales (Note 9)	2,607	-
Marketing and distribution expenses (Note 11)	1,083	-
Administrative expenses (Note 12)	5,812	-
	9,502	-

19. Inventories	**N'000**	**N'000**
Raw materials (Note 9)	915,338	1,080,915
Work in progress	64,649	39,553
Finished goods	780,536	877,058
Spare parts	25,669	32,193
	1,786,192	2,029,719
Goods in transit	225,234	35,562
	2,011,426	2,065,281
Allowance for write down of inventories (Note 19.2)	(143,085)	-
	1,868,341	2,065,281

19.1 Inventories to the value of N1.892 billion (2023 : N2.065 billion) were carried at net realisable value. No inventories are pledged as security for liabilities.

19.2 Allowance for write down of inventory	**N'000**	**N'000**
Balance at the beginning of the year	-	-
Amount written down during the year (Note 9)	143,085	-
Balance at the end of the year	143,085	-

20. Trade and other receivables	**N'000**	**N'000**
Trade receivables	1,699,614	1,125,228
Allowance for impairment (Note 20.2)	(427,466)	(367,507)
	1,272,148	757,721
Other receivables (Note 20.1)	344,142	86,322
	1,616,290	844,043

20.1 Other receivables	**N'000**	**N'000**
Staff Advances	16,884	46,975
Debit balance in trade payables (Note 20.1.1)	328,137	40,226
Impairment on other receivables	(879)	(879)
	344,142	86,322

20.1.1 The debit balance in trade payables relate to advance payment made to local raw materials suppliers for which the raw materials are awaiting delivery as at year end.

	2024	2023
20.2 Allowance for impairment on trade receivables	**N'000**	**N'000**
At the beginning of the year	367,507	817,345
Charged during the year (Note 12)	59,959	261,043
Write off during the year	-	(710,881)
At the end of the year	427,466	367,507

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 ECL Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

21. Other assets	**N'000**	**N'000**
Prepayments	50,611	40,596
Withholding tax credit	35,055	5,463
Advance payment to suppliers	4,110	15,335
Replaceable stocks (Note 21.1.)	13,619	13,619
	103,395	75,013

21.1 Replaceable stocks represent finished products bought for sale by Neimeth, but rejected because the products supplied failed quality test. However, the supplier of the products has been notified and has agreed to replace the products. The products are being replaced in batches. The outstanding represents the value of the products yet to be replaced as at year end.

22. Cash and cash equivalents

22.1 Cash and cash equivalents as per statement of financial position	**N'000**	**N'000**
Cash in hand	53	23
Cash in banks	2,146,605	2,429,159
	2,146,658	2,429,182

The Company held cash and cash equivalents of N2.146 billion as at 31 December 2024 (2023: N2.429 billion) which represents its maximum credit exposure on these assets. The Company's cash and cash equivalents are deposited with reputable banks. All cash and cash equivalents are either on demand or have short period of maturity with immaterial risk of changes in value. As at 31 December 2024 the impairment was assessed Nil on the total exposures of N2.146 billion (2023: N2.429 billion)

22.2 Cash and cash equivalents as per statement of cash flows

Cash and cash equivalents	**N'000**	**N'000**
Cash and bank balances (Note 22.1)	2,146,658	2,429,182
Bank overdrafts (Note 23.4)	(201,988)	(176,348)
	1,944,670	2,252,834

23. Borrowings

Term loans	**N'000**	**N'000**
At the beginning of the year	4,604,176	4,203,856
Reclassification of overdraft	-	(176,348)
Repayment during the year	(50,000)	(214,583)
Exchange loss	923,583	791,251
	5,477,759	4,604,176
Other loans (Note 23.3)	82,757	76,227
At the end of the year	5,560,516	4,680,403

Analysis by maturity:	**2024**	**2023**
23.1 Current	**N'000**	**N'000**
Daewoo Securities (Europe) Limited (Note 23.2.1)	2,629,842	1,706,259
CBN Intervention Fund (Note 23.2.2)	1,199,847	1,147,342
Bank of Industries (Note 23.2.3)	322,917	322,917
Providus Bank Plc (Notes 23.2.2 and 23.5)	700,000	700,000
Accrued interest on other loan (Note 23.3)	6,530	6,494
	4,859,136	3,883,012
Non-current:	**N'000**	**N'000**
CBN Intervention Fund (Note 23.2.2)	107,904	107,904
Bank of Industries (Note 23.2.3)	110,541	110,541
	218,445	218,445
Other loan (Note 23.3)	76,227	69,733
	294,672	288,178
Deferred fair value gain on loan (Note 24)	406,708	509,213
	5,560,516	4,680,403

23.2 Analysis of Term loans	**N'000**	**N'000**
Daewoo Securities (Europe) Limited (Note 23.2.1)	2,629,842	1,706,259
CBN Intervention Fund (Note 23.2.2)	1,307,751	1,255,246
Bank of Industries (Note 23.2.3)	433,458	433,458
Providus Bank Plc (Notes 23.2.2 and 23.5)	700,000	700,000
IFRS Interest (Amortisation difference) (Note 24)	406,708	509,213
	5,477,759	4,604,176
Other loan (Note 23.3)	82,757	76,227
	5,560,516	4,680,403

23.2.1 Daewoo Securities (Europe) Limited

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

The outstanding balance of JPY 268,803,839 (comprising principal of JPY 140million, interest JPY 128.8 million) has been translated at Central Bank of Nigeria (CBN) ruling rate as at 31 December 2024.

23.2.2 CBN Intervention Fund

This represents N2.4 billion CBN Intervention Funds. Utilisation is made up of N2 billion which is to be used to part finance the establishment of a new WHO cGMP Multi-Product factory at Amawbia, Anambra State, while N400 million is to be used to augment the Company working capital requirement at interest rate of 5% per annum (all inclusive) up to 31 Auguct 2022. Thereafter, interest on the working capital facility is now 9% per annum from 1 September 2022 with one year tenure and roll over of not more than 3 years.

23.2.3 Bank of Industries (BOI)

This consists of multiple loan facility of N750 million received from BOI on the 24 December 2019, comprising of a term loan of N500 million maturing 31 December 2025 and a working capital facility of N250 million maturing 31 December 2023. The term loan is dedicated for new equipment purchase to upgrade Oregun Plant while the working capital is meant for raw materials procurement for the manufacturing of pharmaceutical products and marketing expenses at Neimeth factory in Oregun Lagos. Repayment for the term loan is sixty (60) equal and consecutive monthly instalments of N10,416,666.67 commencing immediately after the expiration of moratorium period of 12 months. For the working capital facility component of the loan, thirty-six (36) equal and consecutive monthly instalments of N8,333,333.33. The N500m term loan enjoyed 2% interest rate concession up to August 2022 when the rate returned to 10% per annum in September 2022. The working capital loan also enjoyed 2% interest rate concession up to same period when the rate returned to 12.5% per annum in September 2022.

	2024	2023
23.3 Other loan	**N'000**	**N'000**
At the beginning of the year	76,227	69,733
Accrued Interest	6,530	6,494
Repayment during the year	-	-
At the end of the year	82,757	76,227

Other loan represents amount received from Directors and their Companies as indicated in Note 23.3.1 below. The loan attracts 14% interest per annum.

23.3.1 Related Party Transactions

Related Party	Relationship	Nature of Transaction	2024 Amount	2023 Amount
			N'000	N'000
1. Alpha Pharmacy & Stores Ltd	**Sir. I. T. Onyechi -** Director in Alpha Pharmacy Stores	Loan	928	928
2. Dr. A. B. C. Orjiako	Director	Loan	1,425	1,425
3. Mr Emmanuel Ekunno	Former Director	Loan	1,469	1,329
4. Fall River Production Ltd	**Mr. T. T. Osobu -** Director in Fall River Prod. Ltd	Loan	249	249
5. Engr. Godwin E. Omene	Former Director	Loan	2,927	2,647
6. Bio Resources Institute of Nigeria	**Prof. M. M. Iwu -** Director in Bio Resources Inst.	Loan	75,759	69,649
			82,757	76,227

	2024	2023
23.4 Current borrowings	**N'000**	**N'000**
Bank overdraft	201,988	176,348

23.5 Providus Bank Loan

Providus Bank Plc offers a working capital loan facility of N300million to the Company to finance the importation of raw materials for the production of pharmaceutical products. The tenure of the loan is 12 months period with 90 days transactional circle with an inetrest rate 15% per annum.

24. Deferred fair value gain on loan

Deferred fair value gain	406,708	509,213

Analysis of deferred fair value gain on loan into:

24.1 Non current portion	316,685	406,708
24.2 Current portion	90,023	102,505

24.3 These represent the benefit of CBN intervention and BOI loan at a below the market rate of interest measured at the difference between proceeds received and the fair value of the loan based on prevailing market interest rate. The day 1 gain has been recognised as deferred income which will be recognised in the profit or loss on a systematic basis over the tenure of the loan with re-measurement gain embedded in it.

	N'000	N'000
25. Trade and other payables		
Trade payables	168,622	117,503
Other accruals (Note 25.1)	3,887,155	2,079,122
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**4,055,777**	**2,196,625**
Statutory deductions (WHT payable)	66,399	63,007
Royalties	54,311	54,845
Dividend payable	59,017	59,017
Other payables	67,190	133,173
Defined contribution plan (Note 25.2)	35,805	49,650
Staff final entitlement (Note 25.3)	12,445	13,360
	4,350,944	2,569,677

Trade payables are stated at their original invoice value. The directors consider the carrying amount of trade and other payables to approximate their fair value.

25.1 Other accruals	N'000	N'000
Unclaimed wages	28,605	17,708
Directors' payable	281	7,138
Accrued electricity	-	10,534
Accrued audit fees	1,178	2,169
Accrued Legal Fees	9,746	-
Import finance obligation	2,616,329	1,536,447
Property clearing	26,330	55,130
Sundry accruals (Note 25.1.1)	1,204,686	449,996
	3,887,155	2,079,122

25.1.1 Sundry accruals	N'000	N'000
CBN loan interest	431,622	106,917
BOI loan interest	221,763	73,634
Providus Bank Plc	373,538	170,783
Fidelity Bank Plc	79,101	-
Accruals for customers incentives	98,662	98,662
	1,204,686	449,996

	2024	2023
25.2. Defined contribution plan	**N'000**	**N'000**
At the beginning of the year	49,650	18,232
Provision for the year	119,959	109,997
Payment during the year	(133,804)	(78,579)
At the end of the year	35,805	49,650

25.3.1 The Company discontinued its the gratuity scheme in 2007 and only employees who are entitled to gratuity as at 2007 are qualified to benefit from the scheme and is to be paid whenever they disengage from the service of the Company. Consequently,the balance in the account was reclassified to current liabilities as staff final entitlement.

26. Maturity profile of financial liabilities

		Due within		
	Below one year	One - five years	Five years and above	Total
	N'000	N'000	N'000	N'000
2024				
Loans and borrowings	4,859,136	294,672	-	**5,153,808**
Trade and other payables	4,350,944	-	-	**4,350,944**
	9,210,080	**294,672**	**-**	**9,504,752**
2023				
Loans and borrowings	3,883,012	288,178	-	4,171,190
Trade and other payables	2,569,677	-	-	2,569,677
	6,452,689	**288,178**	**-**	**6,740,867**

27. Current tax liability	2024 N'000	2023 N'000
At the beginning of the year	68,815	86,769
Payment during the year	(12,486)	(125,835)
Charge for the year (Note 29)	30,899	11,886
Under provision in prior years - Income tax	-	90,044
Under provision in prior years - Education tax	-	5,951
At the end of the year	87,228	68,815

28. Deferred tax liability	N'000	N'000
At the beginning of the year	106,226	106,226
Charge in the year	-	-
At the end of the year	106,226	106,226

28.1 Deferred tax assets and liabilities

Reconciliation of deferred tax assets and liabilities.

Deferred tax assets and liabilities are attributable to the following:

	Opening balance	Recognized in net income	Recognized in OCI	Recognised directly in equity	Reclassify from equity to net income	Closing Balance
	N'000	N'000	N'000	N'000	N'000	N'000
Deferred Tax Liabilities						
Difference between Carrying Value and TWDV	106,254	(74,084)				32,170
npairment loss(Fair value adjustme	-	33,827				33,827
Provision no longer required		26,649				26,649
Fair value gain on investment property	-	304,807				304,807
Total	106,254	291,199	-	-	-	397,453
Deferred Tax Assets						-
Unrealised Exchange loss	28	675,797				675,825
Impairment of receivables	-	19,786				19,786
Total	28	695,583				695,611
Net deferred tax liability/ (asset)	106,226	(404,384)				(298,158)

The movement in deferred tax of N404.4million(2023: N732.9million) resulted in net deferred assets of N298.2million 2023:N626.7 million) as at the reporting date. The movement of N404.4million(2023:N732.9million) was not recognised in these financial statements because there is no probability that the Company would be able to utilise the net tax assets in the forseeable future.

29. Current tax	N'000	N'000
Income	-	-
Minimum tax	22,426	11,886
Income tax	-	90,044
Education tax	8,473	5,951
	30,899	107,881
Deferred taxation charged (Note 28)	-	-
As per statement of profit or loss and other comprehensive income	30,899	107,881

29.1 The Company is not liable to income tax because it has no taxable profit for the year, in accordance with the provisions of the Companies Income Tax Act, CAF C21 LFN 2004 (as amended).

29.2 The charge for taxation in these financial statements is based on minimum tax in accordance with the provisions of the Company Income Tax Act CAP C21, LFN 2004 (as amended).

29.3 The charge for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 (as amended) which is computed as the rate of 3% on the assesable profit.

29.4 The amount provided as Nigeria Police Trust Fund Levy was computed at the rate of 0.005% of the net profit in line with Section 4(i(b) of the Nigeria Police Trust Fund (Establishment) Act, 2019 signed into law on 24 June 2019.

	2024 N'000	2023 N'000
29.5 Reconciliation of effective tax rate		
The tax expense for the year is reconciled to the loss for the year as follows:		
Loss before tax	(854,434)	(1,689,670)
Tax thereon @ 30%	(256,330)	(827,237)
Deductible items	(109,528)	(194,075)
Unrelieved loss brought forward	-	-
Non- deductible items	175,734	531,006
Balancing charge	-	675
Loss carried forward	190,124	489,671
Education tax	8,473	-
Minimum tax	22,426	11,886
Underprovision in prior years	-	95,955
Tax expense for the year	30,899	107,881
Loss after tax	(885,333)	(1,797,551)
Effective tax rate (%)	(28)	(6)

	N'000	N'000
30. Finance lease obligation		
At 1 January	40,635	-
Addition	-	40,635
Repayment in the year	(11,846)	-
At 31 December	**28,789**	40,635
Analysed into:		
Current portion	28,789	40,635
Non-current portion	-	-
	28,789	40,635

This relates to lease obtained on motor vehicle classified as assets under finance lease included in Right-of-use assets.

	2024 N'000	2023 N'000
31.Share capital		
31.1 Issued and fully paid:		
At the beginning of the year	2,136,552	949,579
Rights issue	-	1,186,973
At the end of the year	**2,136,552**	**2,136,552**

4,273,104,607 ordinary shares (2023: 4,273,104,607 ordinary shares @ 50k each).

31.2 Minimum issued share capital for existing company - Section 124 of CAMA 2020

In line with the Company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a Company that has an unissued shares in its capital shall not later than 31 December 2022 fully issue such shares.

	N'000	N'000
31.3 Share premium		
At 1 January	2,377,756	8,821
Premium on rights issue raised (Note 31.4)	-	2,523,498
Rights issue expenses (Note 31.5)	-	(154,563)
At 31 December	2,377,756	2,377,756

31.4 This represents the rights issue of 2,373,947,500 ordinary shares on a basis of 5 new ordinary shares for every 4 ordinary shares held as at close of business on 22 April 2022 at a premium of N1.05k. The rights issue was fully alloted.

31.5 This represents expenses incurred on rights issue. The rights issue proceeds were realised in January 2023. Consequently, ordinary share capital increased by the total proceeds on the rights issue in 2023 financial year.

	N'000	Restated N'000
32. Accumulated losses		
At the beginning of the year	(1,977,183)	(179,632)
Result for the year	(885,333)	(1,797,551)
At the end of the year	(2,862,516)	(1,977,183)

The Directors did not recommend payment of dividend for the year ended 31 December 2024 (2023: Nil)

33 Basic loss per share

Loss per share (basic) has 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 50 kobo ordinary shares during the year.

	N'000	N'000
Loss after taxation	**(885,333)**	(1,797,551)

	2024 N'000	2023 N'000
Number of shares	4,273,104	4,273,104
Loss per share (kobo)	(21)	(42)
Diluted loss per share (kobo)	(21)	(42)

34. Information regarding Directors and Employees
34.1 Directors' emoluments
Renumeration paid to the Company's Directors (excluding pension contribution) were:

Fees:	N'000	N'000
- Chairman	500	500
- Other Directors	2,800	2,800
- Sitting allowance	1,600	1,600
Emolument of executive directors	62,740	62,740
	67,640	67,640

34.2 Fees and other emoluments (excluding reimbursable expenses disclosed above include amount paid to:

	N'000	N'000
Chairman	**500**	500
Highest paid director	**28,820**	28,820

34.3 Scale of Directors' remuneration
The number of Directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses in the following range were:

N		N	2024 Number	2023 Number
Below	-	10,000,000	**-**	-
Above		10,000,000	**3**	4
			3	**4**
The number of Directors who received emoluments			**3**	4
The number of Directors who did not receive emoluments			**10**	8

	2024	2023
	N'000	N'000
34.4 Personnel compensation		
Personnel compensation comprised:		
Short-term employee benefits	609,886	773,129
Contribution to compulsory pension fund scheme	119,959	109,997
	729,845	883,126
34.4.1 Analysis by function:	N'000	N'000
Production (Note 9)	242,148	257,770
Marketing and distribution (Note 11)	264,989	262,589
Administrative (Note 12)	222,709	268,766
	729,846	789,125

34.5 The average number of persons employed during the year by category:	Number	Number
Management	8	12
Senior staff	88	150
Junior staff	100	40
	196	202

34.6 Scale of employees' remuneration			Number	Number
N		N		
Below	-	250,000	-	-
250,001	-	500,000	-	-
500,001	-	750,000	-	-
750,001	-	1,000,000	40	50
1,000,001	-	1,250,000	35	45
1,250,001	-	1,500,000	21	27
Above		1,500,001	100	80
			196	202

35. 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.

36. Capital commitments

The Directors are of the opinion that there were no capital commitments at 31 December 2024 (2023 - Nil).

37. Contingent liabilities

The Company is subject to various pending litigations arising in the normal course of business. The contingent liabilities in respect of pending litigations based on the response received from the Company solicitors' was N43,890,688 as at 31 December 2024 (2023: N53,638,102). In the opinion of the Directors and based on the response obtained from the legal adviser, the Company is of the opinion that no payment will be made in respect of pending litigations.

38. Events after the reporting date

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

39. Comparative figures

Where necessary, comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. This reclassification has no net impact on these financial statements.

40. Going concern considerations

The Company recorded a net loss of N885.3 million for the year ended 31 December 2024 and as at that date, its current liabilities exceeded its current assets by N4.1 billion.

In 2024, the Company demonstrated resilience as revenue grew impressively by 103% to N4.5 billion, effectively doubling 2023 sales figures. Gross profit also showed a robust increase of 167%, rising from N734 million to N2 billion. The operating cashflows of the Company moved from negative of N773.4 million in 2023 to positive of N396.2 million.

The Company has invested over N1.9 billion on the ongoing building of a new World Health Organisation cGMP-compliant factory in Amawbia to enhance its production capabilities alongside the upgrade of its Oregun factory.

Management is optimistic about future performance because the foreign currency obligations that caused the losses have now been restructured into Naira obligations. This restructuring aligns with the company's cash flow capacity and supports the strategic goal of enhancing shareholders' value while ensuring consistent returns for investors.

To further enhance its operational liquidity, the Company will conclude its private placement of N1.3 billion by the third quarter of 2025 based on the approval initially received from shareholders.

Q1 2025 Financial Performance:

In the first quarter of 2025, sales reached N1.2 billion, an 86% increase when compared with the same period in 2024, partly due to the recruitment of a new Mega Distributor. Additional partnerships are in progress to significantly improve the Company’s sales operations and increase market share.

The financial statements of Neimeth International Pharmaceuticals Plc are prepared on a going concern basis, affirming the Company's capacity to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, supported by its dedicated Board and shareholders.

41. Security Trading Policy and Dealing in Shares

In compliance with the Nigerian Exchange Limited's (NGX)Listing Rules, Neimeth International Pharmaceuticals Plc has in place regulations to guide its Board and other employees when effecting transactions in the Company's shares and other securities. The Company's Regulations for Dealing in Shares and other Securities ("the Regulations") provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and other securities ("Closed Period") as well as disclosure requirements when effecting such transactions.

All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company regularly notifies (NGX) of its Closed Periods. The Company made inquiries from all affected persons and was not aware of any non-conformity with the Rule or the Regulations during the year under review.

42. Prior year restatement

During the year , the Company voluntarily changed its accounting policy on investment properties from cost model to fair value model. This resulted in the restatement of all affected financial statement areas in the Statement of financial position as at 31 December 2023 and Statement of profit or loss and other comprehensive for the year ended 31 December 2023 in accordance with the requirements of International Accounting Standard (IAS)8 issued by the International Accounting Standards Board.

The affected line items and related notes have been restated and the details of the restatement are as follows:

42.1 The Company investment properties were valued as at 31 December 2023 at N896,442,265 by Tope Ojo & tunde Olonisakin Estate Surveyors, Valuers and Auctioneers.

This resulted in the restatement of Investment properties, Accumulated depreciation and Accumulated losses in 2023 financial year.

	2023
Statement of Financial Position	**N'000**
Investment properties	
As previously reported	49,427
Adjustment to recognise Fair value gain (Note 17)	1,051,499
As restated	1,100,926
Accumulated depreciation	
As previously reported	15,417
Adjustment to derecognise accumulated depreciation	(15,417)
As restated	-
Accumulated losses	
As previously reported	(3,044,968)
Adjustment to derecognise accumulated depreciation (Note 17)	15,417
Adjustment to derecognise depreciation charged in 2023 (Note 17)	869
Adjustment to recognise Fair value gain	1,051,499
As restated	(1,977,183)

Other National Disclosures

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 N'000	%	Restated 2023 N'000	%
Revenue	4,485,116		2,209,591	
Other operating income	1,417,748		1,355,359	
	5,902,864		3,564,950	
Cost of goods and services - local	(5,014,644)		(3,672,330)	
Cost of goods and services - foreign	-			
Value added/(eroded)	888,220	100	(107,380)	(100)
Applied as follows:				
To pay employees:				
Salaries wages and other staff costs	729,846	82	789,124	735
To providers of capital:				
Finance costs	873,320	98	667,948	622
To pay Government:				
Company income tax	30,899	3	107,881	100
To provide for assets replacement:				
Depreciation of property, plant and equipment	129,986	15	125,218	117
Amortisation of intangible asset	9,502	1	-	-
Retained for future expansion:				
- Deferred taxation	-	-	-	-
- Loss on ordinary activities	(885,333)	(100)	(1,797,551)	(1,674)
Value added/(eroded)	888,220	100	(107,380)	(100)

Value added represents the additional wealth, the company 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

	31 December 2024 N'000	31 December 2023 N'000	31 December 2022 N'000	30 September 2021 N'000	30 September 2020 N'000
Statement of financial position					
Property, plant and equipment	4,209,211	3,664,784	2,855,148	1,411,998	1,175,242
Investment property	2,024,585	1,100,926	34,010	35,096	35,965
Intangible asset	19,003	-	-	-	-
Net current assets	(4,110,086)	(1,731,676)	(7,525)	2,708,100	2,976,809
Non current liabilities	(490,921)	(496,909)	(2,102,865)	(2,741,127)	(2,913,355)
Net assets	1,651,792	2,537,125	778,768	1,414,067	1,274,661
Equity and reserves					
Share capital	2,136,552	2,136,552	949,579	949,579	949,579
Share premium	2,377,756	2,377,756	8,821	104,880	112,606
(Accumulated losses)/retained earnings	(2,862,516)	(1,977,183)	(179,632)	359,608	212,476
Total equity and reserves	1,651,792	2,537,125	778,768	1,414,067	1,274,661
Statement of comprehensive income					
Revenue	4,485,116	2,209,591	3,649,153	3,046,661	2,839,119
(Loss)/profit before tax	(854,434)	(1,689,670)	(388,054)	365,284	297,388
Taxation	(30,899)	(107,881)	(18,245)	(94,708)	(84,912)
(Loss)/profit for the year	**(885,333)**	**(1,797,551)**	**(406,299)**	**270,576**	**212,476**
Other comprehensive (loss)/income for the year	-	-	-	-	-
Total comprehensive (loss)/income for the year	**(885,333)**	**(1,797,551)**	**(406,299)**	**270,576**	**212,476**
Per share data:					
(Loss)/earnings per share (kobo) - Basic	(21)	(42)	(21)	14	11
Net assets per ordinary share (kobo)	0.39	0.59	0.41	74	67

(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.