FIDSON HEALTHCARE PLC
Lagos, Nigeria

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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Corporate information

DIRECTORS	Mr. Olusegun S. Adebanji, FCA	Chairman
	Dr. Fidelis A. Ayebae	Managing Director/ Chief Executive Officer
	Mrs. Olufunmilola O. Ayebae	Non- Executive
	Mr. Emmanuel E. Imoagene	Non- Executive
	Mrs. Aishatu P. Sadauki	Independent Non – Executive
	Dr. Vincent Ahonkhai	Independent Non- Executive
	Mr. Ekwunife Okoli	Independent Non – Executive – Deceased 23rd April 2023
	Mr. Abiola A. Adebayo	Deputy Managing Director
	Mr. Olugbenga O. Olayeye	Executive Director, Strategy & Marketing
	Mr. Ola Ijimakin	Executive Director, Commercial
	Mr. Imokha Ayebae	Executive Director, Finance

COMPANY SECRETARY Mr. J. Abayomi Adebanjo, FCIS

REGISTERED OFFICE
268, Ikorodu Road, Obanikoro
Lagos.
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www.fidson.com, e-mail-info@fidson.com

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

SOLICITORS
Adesokan & Adesokan
53-57, Bamgbose Street
Lagos Island, Lagos
Tel: 2348093131158

BANKERS
Access Bank Plc
Bank of Industry
FSDH Merchant Bank Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Union Bank Plc
Unity Bank
Wema Bank Plc
Zenith International bank Plc

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

Results at a glance

	Dec-23 ₦'000	Dec-22 ₦'000	% Change
Revenue	53,050,354	40,634,143	31%
Profit before tax	5,917,409	5,781,473	2%
Profit for the year	3,607,593	4,187,158	-14%
Retained earnings	13,313,331	10,941,812	22%
Issued share capital	1,147,498	1,147,498	0%
Shareholders fund	19,293,728	16,919,279	14%
PER SHARE DATA			
Earnings per share (Kobo)			
Basic and diluted	157	182	-14%
Net asset per share (Kobo)	841	737	14%
Stock exchange quotation			
at 31 December (Naira)	17.50	9.59	82%
Number of employees	650	594	9%

Report of the Directors

1.0 The Directors have pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2023.

2.0 PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of pharmaceutical products which includes drugs, infusion and injectables. The Company commenced local manufacturing of pharmaceutical products in July 2002.

3.0 LEGAL FORM

The Company operated as a Private Limited Liability Company until June 5, 2008 when it was registered as a Public Limited Liability Company. The shares are currently quoted on the floor of the Nigerian Exchange Limited (NGX).

4.0 STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

5.0 DIVIDEND

The Directors propose to pay a dividend of N0.60k amounting to N1,376,997,765 out of the profit for the year ended 31 December 2023 (31 December 2022: N0.55k, N1,262,247,951.25). Proposed dividend will only be recognised as a liability after approval by the shareholders at the Annual General Meeting.

6.0 MAJOR CUSTOMERS

LAGOS
Omere-Oil Pharm Limited/Zimaco
Elvis-Madu and Son Enterprise
Safeline Pharmaceutical LTD
Ardmonds Pharm
Drugstoc Club Limited

EAST
John Medicals
Okwytex International Concept Limited
Jaymorr Pharmacy LTD
Peton Investment (Nig) Limited
Lexicon Pharmacy

WEST
Fiolu Pharmacy
Kunle Ara Pharm
Elgra Pharmacy
Ridaz Pharmacy and Store
Uchecare Pharmacy

NORTH
Latnas Pharmacy
Gozeb Pharceuticals Nig. Limited
Klen Pharmacy Limited.
New Health Pharm
Golden Blossom New World Unique Pharm

Report of the Directors (cont'd)

7.0 MAJOR SUPPLIERS

Overseas Suppliers	Local Suppliers
TIL Exports Pvt Limited India	Sankil Pharm Ltd
V.S International	Beta Glass Plc
Mevish Export Ltd, India	Caxton Joe Nigeria Ltd
Medinomics Healthcare Pvt Ltd)	Dowell Resources & Logistics Ltd
Themis Medicare Ltd	Top pan printing Co. Nigeria Ltd
Sukhesh Marketing pvt. Ltd	Vijibuks Nigeria Limited
Sterimax Limited	Shpngai Technologies Ltd
Thermax Limited	Twinstar Ind.Ltd
M/S Espee Pharma chen Pvt Ltd	Sagar Overseas Ltd
Sinobright Import and Export Co. Limited	Tempo Paper Pulp & Packaging Ltd
Quest Vitamins Ltd	Jackpackk Industries Nigeria Ltd
Charack Pvt Ltd.	Fiyique Venture Ltd

8.0 DIRECTORS

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

Mr. Olusegun Adebanji	Chairman (Independent Non-Executive)
Dr. Fidelis A. Ayebae	Managing Director/Chief Executive Officer
Mrs. Olufunmilola O. Ayebae	Non-Executive
Mr. Emmanuel E. Imoagene	Non-Executive
Mrs. Aishatu P. Sadauki	Independent Non-Executive
Dr. Vincent Ahonkhai	Independent Non-Executive
Mr. Ekwunife Okoli	Independent Non-Executive (Deceased 23/04/2023)
Mr. Abiola A. Adebayo	Deputy Managing Director
Mr. Olugbenga O. Olayeye	Executive Director, Strategy and Marketing
Mr. Ola Ijimakin	Executive Director, Commercial
Mr. Imokha Ayebae	Executive Director, Finance

9.0 DIRECTORS' INTERESTS

The Directors' interests in the issued share capital of the Company as at 31 December 2023 are as follows;

	Numbers of Shares 2023	%	Numbers of Shares 2022	%
Mr. Olusegun S. Adebanji	-		-	-
Dr. Fidelis A. Ayebae	758,543,749	33.05	758,543,749	33.05
Mrs. Olufunmilola O. Ayebae	74,629,500	3.25	74,629,500	3.25
Mr. Olugbenga O. Olayeye	21,539,144	0.94	21,539,144	0.94
Mr. Abiola A. Adebayo	18,289,269	0.80	18,289,269	0.80
Mr. Emmanuel E. Imoagene	37,413,200	1.63	37,413,200	1.63
Mrs. Aishatu P. Sadauki	859,705	0.04	859,705	0.04
Dr. Vincent Ahonkhai	320,860	0.01	320,860	0.01
Mr. Ola Ijimakin	2,359,280	0.10	2,359,280	0.10
Mr. Ekwunife Okoli	-	-		
Mr. Imokha Ayebae	41,800,000	1.82	41,800,000	1.82
Indirect interest				
Glorious Haven Ltd – on behalf of				
Dr. Fidelis A. Ayebae	1,100,0000	0.05	1,100,0000	0.05

Report of the Directors (cont'd)

10.0 BOARD OF DIRECTORS

In accordance with the provisions of Section 285 of the Companies & Allied Matters Act, 2020, one third of the Directors of the Company shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election. Accordingly, Mr. Olusegun S. Adebanji, Mrs Olufunmilola O. Ayebae, and Dr. Fidelis A. Ayebae retired by rotation and being eligible, offer themselves for re-election.

11.0 DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any disclosable interest in contracts with which the Company is involved as at 31 December 2023.

12.0 SUBSTANTIAL INTEREST IN SHARES

The registrar has advised that according to the register of members as at 31 December 2023, the following held more than 5% of the issued share capital of the Company**:**

Shareholder	No of Shares	% Holding
Dr. Fidelis Ayebae	758,543,749	33.05%
Stanbic IBTC Nominee Ltd	568,422,033	24.67%

13.0 CORPORATE SOCIAL RESPONSIBILITIES

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

	2023	2022
	N	N
Religious organisations	5,200,000	1,000,000
Hospitals/Health institutions	87,842,326	94,721,627
Schools/Communities	93,581,502	108,862,028
	186,623,828	204,583,655

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

14.0 EVENTS AFTER THE REPORTING PERIOD

As stated in Note 43, no material events have occurred between the end of the reporting period and the date of this report which could have had a material effect on the state of affairs of the Company as at 31 December 2023.

15.0 ANALYSIS OF SHAREHOLDERS

Analysis of shareholdings as at 31 December 2023

Range	No. of Holders	% Members	Units	% Holding
1 - 50,000	7375	88	53,708,040	2
50,001 - 100,000	401	5	29,043,096	1
100,001 - 1,000000	501	6	124,628,920	5
1,000,001 and above	67	1	2,087,616,219	91
	8,344	100	2,294,966,275	100

Report of the Directors (cont'd)

16.0 EMPLOYMENT AND EMPLOYEES

a. Employment of disabled Persons
It is the Company's policy that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2023, there were two disabled employees working in the administrative section of the factory.

b. Welfare
The Company has retainership agreement with a number of private hospitals to whom cases of illness are referred for treatment and/or admission.

The Company provides subsidy to employees in respect of transportation, lunch, housing, and healthcare and are expensed during the year.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonus, promotions, and wage review.

c. Training
The Company attaches great importance to training and all categories of staff attend courses or seminars as considered necessary by the Company's management. This was extended to member of the statutory audit committee during the year under review.

17.0 AUDIT COMMITTEE

Pursuant to Section 403 of the Companies and Allied Matters Act, 2020, the Company has in place an Audit Committee comprising of Directors and shareholders, namely:

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

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

18.0 AUDITORS

Messrs Deloitte and Touche (Chartered Accountants) have indicated their willingness to continue in office in accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 Nigeria. A resolution will be proposed at the 25th Annual General Meeting (AGM) for the authority to fix their remuneration by the directors. There are no other services rendered by Messrs Deloitte and Touche.

BY ORDER OF THE BOARD

J. ABAYOMI ADEBANJO, FCIS
COMPANY SECRETARY
FRC/2013/ICSAN/00000002161
00 March 2024

Corporate Governance Report

Our governance approach has always been geared towards ensuring that the business is sustained profitably and to improve on all indices year-on-year. Though the business environment remained ever-challenging, with new statutory and regulatory compliance regime, the company continued to strengthen its internal capacities to meet its obligations and deliver to the satisfaction of all stakeholders.

As part of our governance structure, we keep ensuring that we scan the environment for new regulations and legislations that are likely to impact our operations and deploy necessary methods to deal with them.

We continue to recognise the importance of Environment, Social and Governance (ESG) and the need to strengthen the culture of environmental preservation. This led to our ISO 14001:2015 certification in 2022.

Full disclosure is a strong pillar in entrenching good governance. Our disclosures on all platforms: website, financial statements and as part of board governance mirror the requirement of Principle 28 of the Nigerian Code of Corporate Governance and the provisions of the Listing Rules, particularly Rule 17.5 and other rules of the exchange bordering on transparency and effective communication with stakeholders and the investing public. Good governance and fair trade practices remain at the heart of our business activities.

People: Our stakeholders are at the centre of our Corporate Governance practices. Concerns of our stakeholders whether directly or indirectly impacting our operations are constantly considered and promptly attended to. In this area of our operations are robust Corporate Social Responsibility policies, remuneration and motivation schemes that are second to none in the industry and concern for our end-users. We realize that our shareholders are important, and all efforts were made throughout the year to reach out to them in a bid to ensure an amicable shareholder-management relationship. Aside from the statutory register of members, we created a directory of notable members for engagement and operational reporting whenever the need arises.

Prices: Our pricing policies are geared towards optimizing our resources for continued growth and development without exploiting the market. We have continued to consider the general inflationary trend and affordability to the common man before arriving at our prices.

Planet: Because we value life, our operations are conducted in a way that minimizes negative externalities. At the heart of this is our robust policy on Health, Safety, and Environment (HSE). We conducted regular HSE training throughout the year in addition to appointing Safety Officers in each of our locations and the Head Office. Obsolete equipment is disposed of in order to allow for recycling. Expired drugs are also destroyed under the supervision of regulators and each time this is done a Certificate of Destruction is received from the relevant Government Agency. We have imbibed best practices and ethical standards in all our dealings.

Probity: We reviewed our governance principles to recognize ‘probity’ as one of the essentials of good governance. All officers, including directors, are requested to give an honest account of all company’s resources in their custody as and when due.
In addition to the above, we have strengthened our risk management team and the general practice of risk awareness and control consciousness company-wide.

OUR CORPORATE GOVERNANCE PLATFORM
Our corporate governance strategy and initiatives are geared towards complying with the Nigerian Code of Corporate Governance 2018 and maintaining an amicable relationship with the various stakeholders on which our continued existence relies. Our second approach to Corporate Governance is to use the doctrines of good governance to engender the sustainability of our business.

Corporate Governance Report (cont'd)

We have continued to subject our operations to periodic examinations and audits by independent auditors which include current Good Manufacturing Practice (GMP) and the National Agency for Food and Drugs Administration and Control (NAFDAC). Each audit/examination report is made the subject for consideration by a committee headed by an executive director for proper review and implementation.

Overseen by the Board of Directors, Corporate Governance practices are constantly under review in line with the dynamics of the business environment. The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the company's business is conducted in a fair, honest and transparent manner that conforms to high ethical standards.

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

The framework for our corporate governance is hinged on:

1. The Nigerian Code of Corporate Governance 2018
2. Various Standards Operations Procedure (SOP) and the International Standard Organisation's compliance requirements
3. Provisions of the Companies and Allied Matters Act, 2020
4. Financial Reporting Council Act, Amendment) Act 2023.
5 International Financial Reporting Standards (IFRS)
6. The listing rules of the Nigerian Exchange Limited (NGX)
7. Rules of the Securities and Exchange Commission.
8. Good Manufacturing Practices.
9. International best practices.

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

S/N	NAME OF COMMITTEE	MEMBERS
1	Governance, Nomination and Remuneration Committee	Mrs. A. P. Sadauki (Chairman) Mr. E. E. Imoagene Mrs. O. O. Ayebae Dr. Vincent Ahonkhai
2	Finance and General Purposes Committee	Mr. Emmanuel. E. Imoagene (Chairman) Mr. Olusegun. S. Adebanji Dr Vincent. I. Ahonkhai Mr. Imokha. S. Ayebae Mr. Ola. E Ijimakin Mr. O. O. Olayeye Mr. A. A. Adebayo Dr F. A. Ayebae
3.	Risk, Audit & Credit Control Committee	Mr. Olusegun. S. Adebanji (Chairman) Mr. Emmanuel. E. Imoagene Mrs. Olufunmilola. O. Ayebae Mr. Olugbenga. O. Olayeye Mr. Imokha S. Ayebae Mr. Abiola. A. Adebayo Dr. Fidelis. A. Ayebae

Corporate Governance Report (cont'd)

4.	Strategy and Business Development Committee.	Dr.Vincent I. Ahonkhai (Chairman) Mrs. Aishatu. P. Sadauki Mr. Emmanuel E. Imoagene Mr. Imokha S. Ayebae Mr. Olugbenga. O. Olayeye Mr. Abiola. A. Adebayo Mr. Ola E. Ijimakin Dr. Fidelis A. Ayebae
5.	Statutory Audit Committee (Board's Representatives).	Mrs. Olufunmilola. O. Ayebae Mr Emmanuel. E. Imoagene

The Company Secretary acts as Secretary to all Board committees.

COMMITTEES' TERMS OF REFERENCE

The terms of reference for all the committees are in line with the provisions of the Nigerian Code of Corporate Governance 2018 and generally accepted best practices. The Committee's terms of reference, in summary, are as follows:

1. **Governance, Nomination and Remuneration Committee (GNRC):** The committee's main responsibility is to assist the Board in developing policies to address the Board's and Management's skill requirements and to fill any vacancy on the Board, however, occasioned. The Committee is also to ensure at all times that competence gaps are closed so that the company is not short of the required skills.

In doing this, the committee considers the need to attract, motivate and retain suitably qualified individuals to the Board.

The Committee ensures the sustainability of the business by ensuring that at all times the company maintains its good governance structure, probity, accountability, transparency, good ethical conduct and responsible leadership.

The responsibility of the Committee includes the recommendation of a competitive remuneration package for the executive management and the Board. In doing this, the committee considers the need to maintain both internal and external competitiveness. It is also the responsibility of the Committee to ensure that remunerations paid to the employees of the company are adequate and commensurate with performance.

2. **Finance and General Purposes Committee:** The committee assists the Board in ensuring that the company's strategic initiatives and objectives are translated into actions and processes. In doing this, the committee considers and makes recommendations to the Board with regards to:-

(a) the annual estimates of revenue and expenditure (income statement).
(b) capital expenditure requirements including loans.
(c) investment and borrowing policies
(d) any other matters referred to the Committee by the Board.

3. **Strategy and Business Development Committee:** The Committee's function is to assist the board in the development of a strategic planning process and ensure a periodic review of the process and report to the Board on implementation. To achieve its objectives, the Committee, amongst others:

Corporate Governance Report (cont'd)

3. Strategy and Business Development Committee (cont'd)

(a) ensure that the business sets stretch but realisable long-term and annual business goals consistent with market opportunities, and capable of delivering the company's vision and mission statements.

(b) review, input, and recommend to the Board long-term and annual business strategy to deliver the business goals and consistently outperform the competition.

(c) ensure that the annual plans and long-term strategy is communicated across the organisation to ensure alignment and ownership.

(d) ensure that the long-term strategy and annual plans are tracked twice annually and quartthe erly respectively and a dashboard is used to communicate status to key stakeholders.

(e) ensure that a Strategic planning cycle is developed and embedded into the corporate calendar so that adequate time is created for the process.

4. **Risk, Audit and Credit Control Committee:** The Committee assists the Board in the monitoring, reviewing and administration of the credit policy and risk management. Its terms of reference include the following:

(a) Consider the nature, extent, and categories of the risks facing the Company, and the likelihood of such risks materializing; the Company's ability to reduce the incidence and the impact on its business, if the risks do materialize.
(b) Advise the Board on the cost of operating particular controls relative to the benefits thereby obtained in managing the related risks;
(c) Ensure that the Company's policy on ethics adequately impacts positively on its Business partners and stakeholders e.g. Customers, Shareholders, Community, Government, Suppliers and the public;
(d) Prescribe new standards and mechanisms related to ethics and make recommendations to the Board.
(e) Review the risk register and to notify the Board of changes in the status and control evaluation of risks;
(f) Keep under review and monitor the effectiveness of the Company's system of internal control, non-financial activities of management, including operational and compliance controls and risk management, environment, health and safety and report to the Board on annual basis and;
(g) Monitor compliance with the provisions of the Companies and Allied Matters Act as they affect the operations of the business and adherence to the rules and regulations of relevant regulatory bodies.
(h) To obtain Board approval for any policy changes, actions or decisions of the Committee that require such approval.
(i) The Committee shall be responsible for putting in place a structure for risk management.
(j) To review the implementation of the company's processes as they relate to risk management framework and recommend best practice.
(k) To consider the likely impact on breaches in the company's operations.
(l) To put in place a Business Continuity Plan (BCP) for the company.

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

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

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

Corporate Governance Report (cont'd)

THE BOARD

Frequency of meetings:
The Board of Directors holds at least 4 (four) meetings in each financial year. Each meeting is scheduled to receive quarterly operating results among other reports on the company's operations. All matters reserved for the Board are duly considered and resolved. These include consideration and approval of budgets, major capital expenditures, corporate strategy, review of policies on internal risk management, review of performance and generally direct the affairs of the company's operations.

Attendance at Board meetings during the year under review was impressive. In line with Section 284 (2) of the Companies and Allied Matters Act, 2020, the record of Directors' attendance at Board meetings is available at the annual general meeting for inspection.

In compliance with Section 275 of the Companies and Allied Matters Act, 2020, the Board has the required number of Independent Non-Executive Directors.

Responsibilities of the Board of Directors:

It is the responsibility of the Board of Directors to:

1. ensure that the company's operations are conducted fairly and transparently and conform with high ethical standards;
2. ensure the integrity of the company's financial and internal control policies;
3. ensure the accuracy, adequacy and timely rendition of the statutory returns and financial reports to the regulatory authorities, namely, The Nigerian Exchange Limited (NGX), Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), National Agency for Food and Drug Administration and Control (NAFDAC) and shareholders through the Company Secretary;
4. ensure value creation for the shareholders, employees and other stakeholders;
5. review and approve corporate policies, strategies, annual budgets and business plans;
6. monitor implementation of policies and strategic direction of the company;
7. set performance objectives, monitor implementation and corporate performance;
8. review and approve all major capital expenditures of the company;
9. ensure that the statutory rights of all stakeholders are protected at all times; and,
10. institute an appropriate mechanism for measuring adherence by management to all regulations.

Information flow to the Board: The Senior Executive Management ensures that the Board receives adequate information on a timely basis. Board papers are circulated at least two weeks before every Board meeting.

As part of the Board's resolve to ensure adequate compliance with and to engender good corporate governance, at every Board meeting *Corporate Governance Report* is presented by the Company Secretary for consideration by the Board. This way, the Board is abreast of the regulatory, statutory and ethical requirements expected of listed companies in Nigeria.

Board Charter: To ensure good governance is engendered in the company, the Board is run by a Charter which amongst other things makes provisions concerning:

a) Frequency of Board meetings
b) Process for adoption and circulation of Board minutes
c) Disclosure of interest
d) Guidelines for ensuring the integrity and independence of directors.
e) Commitment to comply with the Law, regulations and Corporate Governance Code

Corporate Governance Report (cont'd)

Board Structure: The Board currently consists of 10 (ten) directors. They are made up of five (5) Executive Directors, two (2) Non-Executive Directors and three (3) Independent Non-Executive Directors. The structure has engendered a culture of objective and professional consideration of matters reserved for the board.

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

Directors during the year under review were:

1.	Mr. Olusengun. S. Adebanji	-Chairman (Independent Non-Executive Director)
2.	Dr. Fidelis A. Ayebae	-Managing Director/Chief Executive Officer
3.	Mr. Emmanuel E. Imoagene	-Non-Executive Director
4.	Mrs. Oluwafunmilola O. Ayebae	-Non-Executive Director
5.	Mrs. Aishatu P. Sadauki	-Independent Non-Executive Director
6.	Dr. Vincent I. Ahonkhai	-Independent Non-Executive Director
7.	Mr. Olugbenga O. Olayeye	-Executive Director, Sales and Marketing
8.	Mr. Abiola A. Adebayo	-Executive Director, Operations.
9.	Mr. Ola E. Ijimakin	-Executive Director, Commercial.
10.	Mr. Imokha S. Ayebae	-Executive Director, Finance

Board evaluation and appraisal: The Board has agreed on a plan to conduct an evaluation of its members before the end of the 2024 financial year.

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

THE STATUTORY AUDIT COMMITTEE

In accordance with section 404 (3) of the Companies and Allied Matters Act, 2020, the audit committee is made up of five (5) members, three representatives of the shareholders and two (2) representatives of the Board of directors. Members of the audit committee are elected annually at the annual general meeting. The Committee was engaged maximally in all aspects of its responsibility as stipulated by the law. In addition, the Committee was encouraged to take on other assignments that may be of benefit to the company.

Members of the Committee during the year under review were:

1.	Chief Matthew Akinlade, FCA, Shareholder	Chairman
2.	Alhaji Abdulkabir B. Sarumi	Shareholder
3.	Mr. Solomon S Akinsanya	Shareholder
4.	Mrs. Olufunmilola O. Ayebae	Director
5.	Mr. Emmanuel E. Imoagene	Director

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

Corporate Governance Report (cont'd)

Attendance of Board Members, Board Committees and Audit Committee at meetings during the twelve months ended 31st December 2023

BOARD MEETINGS	23-03-23	28-07-23	26-10-23	7-12-23	%
Mr. Olusegun S. Adebanji	✓	✓	✓	✓	100
Dr. Fidelis A. Ayebae	X	✓	✓	✓	80
Mrs. Aishatu. P. Sadauki	✓	✓	✓	✓	100
Mrs. Olufunmilola. O. Ayebae	✓	✓	X	✓	80
Mr. Emmanuel E. Imoagene	✓	✓	✓	✓	100
Dr. Vincent I. Ahonkhai	✓	✓	✓	✓	100
Mr. Abiola. A. Adebayo	X	✓	✓	✓	80
Mr. Olugbenga O. Olayeye	✓	✓	✓	✓	100
Mr. Ola E. Ijimakin	✓	✓	✓	✓	100
Mr Imokha S. Ayebae	✓	✓	✓	✓	100

STATUTORY AUD IT COMMITTEE	24-01-23	22-03-23	18-07-23	17-10-23	12-12-23	%
Chief Matthew Akinlade	✓	✓	✓	✓	✓	100
Alhaji Abdulkabir. B. Sarumi	✓	✓	✓	✓	✓	100
Mrs. Olufunmilola. O. Ayebae	X	✓	✓	✓	✓	80
Mr. Solomon. S. Akinsanya	✓	✓	✓	✓	✓	100
Mr. Emmanuel. E. Imoagene	✓	✓	✓	✓	✓	100

GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE	20-04-23	19-10-23	%
Mrs. Aishatu. P. Sadauki	✓	✓	100
Mrs. Olufunmilola. O. Ayebae	✓	✓	100
Mr. Emmanuel. E. Imoagene	✓	✓	100
Dr. Vincent Ahonkhai	✓	✓	100

FINANCE AND GENERAL PURPOSES COMMITTEE	21-03-23	21-04-23	20-07-23	24-10-23	05-12-23	%
Mr. Emmanuel. E. Imoagene	✓	✓	✓	✓	✓	100
Mr. Olusegun.S. Adebanji	✓	✓	✓	✓	✓	100
Dr. Vincent I. Ahonkhai	✓	✓	✓	✓	✓	100
Dr. Fidelis. A. Ayebae	✓	✓	✓	✓	✓	100
Mr. Abiola. A. Adebayo	✓	✓	✓	✓	✓	100
Mr. Olugbenga. O. Olayeye	✓	X	✓	✓	✓	80
Mr. Ola E. Ijimakin	✓	✓	✓	✓	✓	100
Mr. Imokha S. Ayebae	✓	X	✓	✓	✓	80

Corporate Governance Report (cont'd)

RISK MANAGEMENT AND AUDIT COMMITTEE.	14-03-23	11-07-23	11-10-23	%
Mr. Olusegun S. Adebanji	✓	✓	✓	100
Mrs. Olufunmilola .O. Ayebae	✓	✓	✓	100
Mr.Emmanuel.E.Imoagene	✓	✓	✓	100
Dr. Fidelis. A. Ayebae	✓	✓	✓	100
Mr. Abiola .A.Adebayo	✓	✓	✓	100
Mr. Olugbenga. O.Olayeye	✓	✓	✓	100
Mr. Imokha S. Ayebae	✓	✓	✓	100

STRATEGY AND BUSINESS DEVELOPMENT COMMITTEE	16-03-23	13-07-23	25-10-23	%
Dr.Vincent I. Ahonkhai	✓	✓	✓	100
Mr.Emmanuel. E.Imoagene	✓	✓	✓	100
Mrs. Aishatu .P.Sadauki	✓	✓	✓	100
Dr. Fidelis A. Ayebae	✓	✓	✓	100
Mr. Abiola A. Adebayo	✓	✓	✓	100
Mr. Olugbenga O. Olayeye	✓	✓	✓	100
Mr.Ola E. Ijimakin	✓	✓	✓	100
Mr.Imokha S. Ayebae	✓	✓	✓	100

Board induction programme: With the expansion of the Board in January 2021, a robust Directors' induction programme was instituted. The induction took one month and covered all aspects of the business in addition to the basic training of directors on compliance with their disclosure obligations and more. The benefit of the induction was apparent in the quick understanding of the business by the Directors and reflected in their contributions at Board meetings.

Securities Trading

The company directors are constantly reminded and they are aware of the restrictions imposed on them with regards to trading in the shares of the company during closed periods. The policy in place is obeyed by the directors and other senior employees who by virtue of their position constantly come in contact with price-sensitive information.

Enquiries have been made and it is hereby stated that in respect of these financial statements and the interim accounts submitted in the year under review none of the directors violated the rules relating to securities trading.

Payment of penalty:

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

Compliance with the code of corporate governance:

The Company complied with the 2018 Code of Corporate Governance for public companies during the year under review. Detailed explanations were given in the annual corporate governance return (Form SEC 1) made to the Securities and Exchange Commission in January 2022.

The complaints management policy of the company

The company has in place a policy document on complaints management to support the existing policies dealing with allied matters.

Shareholding Structure/free float status

FIDSON HEALTHCARE PLC

SHAREHOLDING STRUCUTRE/FREE FLOAT STATUS

Description	31-12-23		31-12-22	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	2,294,996,275	100%	2,294,996,275	100%
Substantial Shareholdings (5% and above)				
Dr. Fidelis A. Ayebae	758,543,749	33.05%	758,543,749	33.05%
Stanbic IBTC Nominees Limited	568,422,033	24.77%	566,422,033	24.68%
Total Substantial Shareholdings	1,326,965,782	57.82%	1,324,965,782	57.73%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
DR. Fidelis A. Ayebae (indirect)	1,100,000	0.05%	1,100,000	0.05%
Mr. Emmanuel E. Imoagene	37,413,200	1.63%	37,413,200	1.63%
Mrs. Olufunmilola O. Ayebae	74,629,500	3.25%	74,629,500	3.25%
Mrs. Aishatu P. Sadauki	859,705	0.04%	859,705	0.04%
Dr. Vincent Ahonkhai	365,860	0.02%	320,860	0.01%
Mr. Olugbenga O. Olayeye	21,539,144	0.94%	21,539,144	0.94%
Mr. Abiola A. Adebayo	18,289,269	0.80%	18,289,269	0.80%
Mr. Imokha Ayebae	41,800,000	1.82%	41,800,000	1.82%
Mr. Ola Ijimakin	2,359,280	0.10%	2,359,280	0.10%
Mr. Segun Adebanji	0	0	0	0
Total Directors' Shareholdings	198,355,958	8.64%	198,310,958	8.64%
Other Influential Shareholdings				
NIL				
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	769,674,535	33.54%	771,719,535	33.63%
Free Float in Value	₦ 4,348,661,122.75			

Declaration:

(A) FIDSON HEALTHCARE PLC with a free float percentage of 33.54% as at 31st December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) FIDSON HEALTHCARE PLC with a free float value of N4,224,984,391.20 as at 31st December 2023 is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Note: Average share price in 2023 as indicated by the NGX was N5.65k.

J. A. ADEBANJO, FCIS
COMPANY SECRETARY
FRC/2013/ICSAN/00000002161

28 March 2024.

Statement of Directors' Responsibilities.
For the preparation and approval of the Financial Statements

The Directors of Fidson Healthcare Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, Amendment) Act 2023.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies.
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the Company's financial position and financial performance.

Going Concern:
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Abiola Adebayo	**Fidelis Ayebae**
DMD	**MD/CEO**
FRC/2013/PSNIG/00000002162	**FRC/2014/CIANG/00000002376**
28 March 2024	**28 March 2024**

Certification of Financial Statements

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

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

We state that management and Directors:

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

We have disclosed:

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

The financial statements of the Company for the year ended 31 December 2023 were approved by the Directors on 28 March 2024.

On behalf of the Directors of the Company

Fidelis Ayebae	**Imokha Ayebae**
MD/CEO	**Finance Director**
FRC/2014/CIANG/00000002376	**FRC/2021/001/00000023145**
28 March 2024	**28 March 2024**

Audit committee's report

In the course of the financial year 2023, the statutory Audit Committee of Fidson Healthcare Plc met five times as illustrated in the table below.

AUD IT COMMITTEE	24-01-23	22-03-23	18-07-23	17-10-23	12-12-23	%
Chief Matthew Akinlade	✓	✓	✓	✓	✓	100
Alhaji A. B. Sarumi	✓	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	X	✓	✓	✓	✓	80
Mr. S. S. Akinsanya	✓	✓	✓	✓	✓	100
Mr. E. E. Imoagene	✓	✓	✓	✓	✓	100

Key
✓ - Present
x - Absent

Our terms of reference include but are not limited to the following:

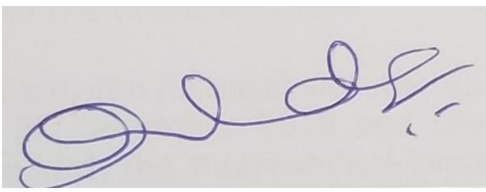
1 Assist in the oversight of the integrity of Fidson Healthcare Plc's ("the Company") financial statements, compliance with legal and other regulatory requirement, assessment of qualifications and independence of external Auditor, and performance of the company's internal audit functions as well as that of external Auditors.
2 Ensure the development of a comprehensive internal control framework for the Company, obtains assurance and report annually in the financial report, on the operating effectiveness of the Company's internal control framework.
3 Oversee management's process for the identification of significant fraud risks across the Company and ensure that adequate prevention, detection, and reporting mechanism are in place.
4 Discuss the annual audited financial statements with Management and external Auditors.
5 Discuss policies and strategies in respect to risk assessment and management.
6 Review and ensure that adequate whistle blowing procedures are in place and that a summary of issues reported are highlighted to the Chairman of the Board.
7 Review, with the external Auditor, any audit scope limitations or problems encountered and management responses to same. In addition, to review the independence of external Auditors and ensure that where non- audit services are provided by the external Auditors, there is no conflict of interest.
8 Preserve Auditor's independence, by setting clear hiring policies for employees or former employees of independent auditors.
9 Invoke its authority to investigate any matter within its terms of reference for which purpose the Company must make available the resources to the internal Auditors with which to carry out these functions, including access to external advice where necessary.

Consequently, in accordance with the provisions of section 404(4) of the Companies and Allied Matters Act 2020, the members of the statutory Audit committee of Fidson Healthcare Plc hereby report that we have exercised our statutory functions under this act and we acknowledge the cooperation of the Management and staff of the company in the conduct of these responsibilities.

Audit committee's report (cont'd)

Specifically, we confirm that:

1. The accounting and reporting policies of the Company are consistent with the legal requirements and ethical practices.
2. The internal audit programme is extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems; and
3. We have considered the independent Auditor's post-audit report and management responses thereon, and are satisfied with responses to our questions as well as the state of Fidson Healthcare Plc.



Chief Matthew Akinlade, FCA
FRC2013/ICAN/00000002111
Chairman, Statutory Audit Committee

Dated 25th March 2024

Members of the Statutory Audit Committee are:

Chief Matthew Akinlade, FCA	Shareholder representative (Chairman)
Alhaji Abdulkabir B. Sarumi,	Shareholders' representative
Mr. Solomon S. Akinsanya	Shareholders' representative
Mrs. Olufunmilola O. Ayebae	Directors' representative
Mr. Emmanuel E. Imoagene	Directors' representative

Deloitte.

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Independent Auditor's Report

To the Shareholders of Fidson Healthcare Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Fidson Healthcare Plc** set out on pages 24 to 84, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the Financial Statements in Nigeria.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, CEO's Report, Sustainability Report, Statement of Directors Responsibilities, Statement on the company's Environmental, Social and Governance Activities and Report of the Statutory Audit Committee which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. Also, we:

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

Deloitte.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied .

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

Report on Other Legal and Regulatory Requirements
In accordance with the Fifth Schedule of Companies and Allied Matters Act we expressly state that:

i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. The Company has kept proper books of account, so far as appears from our examination of those books.

iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Folorunso Hunga, FCA - FRC/2013/PRO/ICAN/004/00000001709
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
02 **April 2024**

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0658693

Statement of profit or loss and other comprehensive income

	Notes	Dec-23 ₦'000	Dec-22 ₦'000
Revenue	5	53,050,354	40,634,143
Cost of sales	6	(31,979,445)	(23,452,464)
Gross profit		**21,070,909**	**17,181,679**
Other gains and losses	7	497,066	817,484
Administrative expenses	8	(6,532,831)	(4,891,918)
Impairment of receivables	7	(227,781)	45,851
Net exchange loss	8	(1,261,246)	(758,597)
Selling and distribution expenses	9	(5,549,848)	(4,905,793)
Operating profit		**7,996,269**	**7,488,706**
Finance costs	10	(2,101,868)	(1,772,656)
Finance income	11	23,008	65,423
Profit before tax	12	**5,917,409**	**5,781,473**
Income tax	13a	(2,309,816)	(1,594,315)
Profit for the year		**3,607,593**	**4,187,158**
Other comprehensive income: (OCI)			
Items to be reclassified to profit or loss in subsequent years:			
Fair value gain/Loss Through OCI financial instruments	33	2,930	(230)
Net other comprehensive income to be reclassified to profit or loss		2,930	(230)
Items not to be reclassified to profit or loss in subsequent years:			
Re- measurement gain on defined benefit plans	26	37,392	33,851
Income tax effect	13c	(11,218)	(10,155)
Net other comprehensive income not to be reclassified to profit or loss		26,174	23,696
Other comprehensive income, net of tax		29,104	23,466
Total comprehensive income, net of tax		**3,636,697**	**4,210,623**
Earnings per share – basic (in kobo)			
Basic and diluted	42	157	182

The Notes on pages 28 to 84 form an integral part of these financial statement.

Statement of financial position
As at 31 December 2023

ASSETS	**Notes**	**Dec-23 N'000**	**Dec-22 N'000**
Non-current assets			
Property, plant and equipment	14	22,672,162	19,565,588
Right of use assets	15	315,050	380,817
Investment property	16	-	-
Intangible assets	17	25,577	23,544
Investments in Financial Asset	18a	7,730	4,800
Loans and receivables	18b	501,193	14,692
Other non-current financial asset	19	184,432	174,542
		23,706,144	**20,163,983**
Current assets			
Inventories	20	16,356,949	14,606,786
Trade and other receivables	21	5,887,827	4,249,396
Prepayments	22	5,253,563	1,845,990
Cash and bank balances	23	10,786,643	2,115,136
		38,284,982	**22,817,308**
Total assets		**61,991,126**	**42,981,291**
Equity and liabilities			
Equity			
Issued share capital	31	1,147,498	1,147,498
Share premium	32	4,829,614	4,829,614
Retained earnings		13,313,331	10,941,812
Financial Asset reserve	33	3,285	355
		19,293,728	**16,919,279**
Non-current liabilities			
Interest bearing loans and borrowings	24	6,110,810	5,746,439
Lease Liability	25	-	-
Retirement benefit obligation	26	252,158	263,602
Government grant	27	608,963	651,291
Deferred tax liability	13c	2,871,885	1,389,945
		9,843,816	**8,051,277**
Current liabilities			
Trade and other payables	28	9,076,011	7,015,730
Interest bearing loans and borrowings	24	11,663,085	5,798,413
Bank Overdraft	23	781,784	290,004
Other financial liabilities	29	10,000,000	3,000,000
Lease Liability	25	-	55,581
Government grant	27	392,863	346,595
Income tax payable	13b	839,094	1,396,272
Unclaimed dividend	30a	100,745	108,140
		32,853,582	**18,010,735**
Total liabilities		**42,697,398**	**26,062,012**
Total equity and liabilities		**61,991,126**	**42,981,291**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 28th March 2024

Fidelis Ayebae
Managing Director/CEO
FRC/2014/CIANG/00000002376

Abiola Adebayo
Deputy Managing Director
FRC/2013/PSNIG/00000002162

Imokha Ayebae
Finance Director
FRC/2021/001/00000023145

The Notes on pages 28 to 84 forms an integral part of the financial statements.

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Financial asset reserve	Total
	₦000	₦000	₦000	₦000	₦000
At 1 January 2022	1,043,180	4,933,932	7,774,138	585	13,751,835
Bonus issue	104,318	(104,318)			-
Profit for the year	-		4,187,158	-	4,187,158
Other comprehensive income for the year, net	-	-	23,696	(230)	23,466
Total Comprehensive Income for the year	-	-	4,210,854	(230)	4,210,624
Dividends (Note 31)	-	-	(1,043,180)	-	(1,043,180)
At 31 December 2022	**1,147,498**	**4,829,614**	**10,941,812**	**355**	**16,919,279**
At 1 January 2023	1,147,498	4,829,614	10,941,812	355	16,919,279
Profit for the year	-		3,607,593	-	3,607,593
Other comprehensive income for the year, net	-	-	26,174	2,930	29,104
Total Comprehensive Income for the year	-	-	3,633,767	2,930	3,636,697
Dividends (Note 31)	-	-	(1,262,248)	-	(1,262,248)
At 31 December 2023	**1,147,498**	**4,829,614**	**13,313,331**	**3,285**	**19,293,728**

Statement of cash flows

		Dec-23	Dec-22
Operating activities:	Notes	₦'000	₦'000
Profit before tax		5,917,409	5,781,473
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment	14	1,127,153	841,360
Depreciation - Right of use assets	15	57,690	88,451
Reversal in CWIP	14	202,775	-
Impairment loss/(gain)	7	227,782	(45,851)
Gain on disposal of plant, property and equipment & ROU	7	(8,287)	234,485
Gain on disposal of investment property	7	-	(268,713)
Net exchange difference on loan	24	(881,180)	-
Depreciation of investment property	16	-	536
Amortisation of government grant	7	(399,907)	(706,658)
Amortisation of Intangible assets	17	81,891	55,528
Interest income on loan receivable	11	(1,491)	(10,050)
Interest income in other non-current financial asset	11	(9,890)	(8,993)
Interest income on fixed deposit	11	(11,627)	(46,380)
Finance costs	10	2,101,868	1,772,656
Amortisation of deferred revenue		-	(4,750)
Changes in working capital:			
Trade and other receivables		(1,866,213)	(1,223,678)
Prepayments		(3,407,573)	(456,165)
Inventories		(1,750,163)	(3,452,251)
Loans and other receivable		(485,010)	-
Trade and other payables		2,060,281	2,568,600
		2,955,508	**5,119,600**
Income tax paid	13b	(1,396,272)	(1,374,683)
Benefits paid	26	(11,444)	(4,583)
Net cash flow from operating activities		1,547,792	3,740,334
Cash flows from investing activities:			
Purchase of property, plant & equipment	14	(4,445,588)	(6,613,563)
Additions to intangible assets	17	(83,924)	(57,350)
Interest received		11,627	46,380
Interest received on other non-current financial asset		-	7,613
Interest received on loan receivable		-	9,385
Proceeds from sale of property, plant and equipment and investment property		17,377	1,182,129
Proceeds from sale of right of use asset		8,075	-
Investment in other financial assets	19	-	(173,162)
Liquidation of investment in other financial asset	19	-	173,162
Net cash utilised by investing activities		(4,492,433)	(5,425,406)
Cash flows from financing activities:			
Payments of lease liabilities	25a	(59,379)	(133,890)
Interest paid on loans & borrowings	24a	(1,454,692)	(1,639,067)
Interest paid on financial liabilities	10	(594,099)	(61,207)
Dividend paid	31	(1,262,248)	(1,043,180)
(Refund)/Payment of unclaimed dividend	31	(7,395)	19,925
Proceed from loans & borrowings	24	11,105,017	5,706,954
Proceed from other financial liabilities		7,000,000	850,000
Loan repayment (Principal)	24	(3,602,836)	(1,885,821)
Net cash provided by financing activities		11,124,368	1,813,713
Net increase cash and cash equivalents		8,179,727	128,641
Cash and cash equivalents at the beginning of the year		1,825,132	1,696,491
Cash and cash equivalents at the end of the year	23	10,004,859	1,825,132

Notes to the financial statements.

1.0 Corporate information.

The Company was incorporated as a private limited liability Company on 13 March 1995 and commenced business activities on 15 March 1995. The principal activities of the Company include manufacturing and distribution of pharmaceutical products. The Company's shares were quoted the Nigerian Stock Exchange on 5 June 2008. The issued share capital is held as to 39.91% directly by the Directors, 5.74% indirectly by the Directors and 54.35% by the Nigerian Public.

1.1 Composition of the financial statements

The Financial statements are drawn up in Naira, the functional currency of Fidson Healthcare Plc. In accordance with IFRS accounting presentation, the Financial Statements comprise:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash flows
- Notes to the Financial Statements.

1.2 Financial period

These Financial Statements cover the financial year ended 31 December 2023 with comparative amounts for the year ended 31 December 2022.

2.0 Material accounting policy information

2.1 Basis of preparation and measurement

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are effective at 31 December 2023 and Financial Reporting Council Act as issued by the Financial Reporting Council of Nigeria (FRCN), and the requirements of Companies and Allied Matters Act (CAMA) of Nigeria.

The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. The financial statements are presented in the Nigerian Naira and all values are rounded to the nearest thousands (₦'000), except where otherwise indicated.

2.2 Reclassification

Certain reclassifications have been made to prior year's financial statements to aid comparability with the current year's financial statements. This reclassification has had no impact on prior year's reported position.

2.3 Material accounting policy information

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

Notes to the financial statements.

2.3.1 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sell or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.
  Or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 Fair value measurement

The Company measures some financial instruments and non-financial assets at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 40a.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the financial statements.

2.3.2 Fair value measurement (cont'd)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 40a for fair value hierarchy.

2.3.3 Revenue recognition

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

Revenue is recognised by applying a five-step approach:

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

The Company recognises revenue from the following major sources:

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

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when the ethical and OTC products are delivered to the customer and or when the consumer healthcare customer picks their product from the factory.

Cost to obtain a contract.

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

Dividends

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

Notes to the financial statements.

2.3.4 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy in Note 2.2.12 (ii).

2.3.5 Taxes

Current income tax

The income tax assets or liabilities for the current year are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Companies Income Tax Act (CITA) 2007 at 30% of total profit after deducting capital allowances and loss relief. Education tax is also assessed at 2.5% of the assessable profits.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the financial statements.

2.3.5 Taxes (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that.
- the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax on items recognised in the profit or loss is also recognised in the profit or loss, while deferred tax on items recognised outside the profit or loss is also recognised outside the profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Value Added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of Value Added Tax (VAT), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Notes to the financial statements.

2.3.6 Foreign currency transaction

Foreign currency transactions are converted into the functional currency, the Nigerian Naira at the rate of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency interbank rate of exchange ruling at the reporting date in accordance with the Central Bank of Nigeria guidelines. Any exchange gains or losses arising on settlement or translation of monetary items are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.3.7 Property plant and equipment

Property, plant and equipment are stated at cost of purchase or construction, net of accumulated depreciation and/or accumulated impairment loss, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long term projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, such parts are recognised as individual assets with specific useful lives and depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation on the categories of property, plant and equipment is calculated to write off the cost less the residual value of the asset, using the straight-line basis, over the assets' expected useful lives. Land and capital work-in-progress are not depreciated. The attributable cost of each item of capital work-in-progress is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly. Deprecation commences once asset is available for use. The normal expected useful lives for the major categories of property, plant and equipment are:

	Years
Land	Nil
Buildings	50
Plant and machinery	4 to 25
Office equipment	4 to 10
Furniture and fittings	8
Motor vehicles	4 to 6
Capital work-in-progress (WIP)	Nil

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The assets 'residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying amounts may not be recoverable.

Notes to the financial statements.

2.3.7 Property plant and equipment (cont'd)

Impairment losses and reversals of impairment losses are recognised in the profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.3.8 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less then N50,000) (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the financial statements.

2.3.8 Leases (cont'd)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the financial statements.

2.3.8 Leases (cont'd)

The Company as a lessee

Finance leases transfer to the Company substantially all the risks and rewards incidental to ownership of the leased asset.

The assets are measured at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss.

The capital element of assets under finance lease is capitalised along with the Company's property, plant and equipment and depreciated at the same rates for assets of that category, or over the lease term, where the lease term is shorter than the assets' useful lives.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Leases – as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

2.3.9 Borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Notes to the financial statements.

2.3.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

The investment properties are subject to annual depreciation charge of 2% on a straight-line basis.

If Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. Owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.11 Intangible assets

Product licenses are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Company makes upfront payments to purchase product licences. The product licenses are held on various pharmaceutical products sold by the Company and have licence years that range from 2 to 5years. The licences may be renewed by the Company at the expiration of the license period.

Intangible assets with finite lives are amortised over the useful economic lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight–line basis to write down the cost of intangible assets to their residual values over their estimated useful lives.

An intangible asset is derecognised on disposal or when no future economic benefit is expected from use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the intangible asset and recognised in the statement of profit or loss when the asset is derecognised.

Notes to the financial statements.

2.3.12 Financial instruments

(i) Financial assets

A financial asset is any asset that is:

- cash.
- an equity instrument of another entity.
- a contractual right to receive cash or another financial asset (e.g., receivables); or
- a contractual right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to Fidson (e.g., derivatives resulting in an asset, bonds, and investments)

(ii) Financial liability

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset (e.g., payable); or
- a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company (e.g., payables, loans and derivatives resulting in a liability).

(iii) Amortised cost

All Fidson's financial assets and liabilities are measured at amortised cost, including, trade receivables and trade payables. The amortised cost of a financial asset or financial liability is the amount at which the asset or liability is measured at initial recognition minus principal repayments to date, and minus any reduction for impairment.

If there is a difference between the initial amount and the maturity amount (arising from reasons other than impairment), amortised cost will also be plus or minus the cumulative amortisation using the effective interest method.

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

(iv) Effective interest method

The effective interest method calculates amortised cost by allocating the interest payment or expense over the relevant period. This calculation only applies if a premium has been paid or a discount received. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When estimating cash flows, all contractual terms are considered but expected future credit losses are not taken into account unless the financial instrument is credit impaired.

Notes to the financial statements.

2.3.12 Financial instruments (cont'd)

(v) Expected credit loss (ECL)

The expected credit loss is the difference between the cash flows due under the contract and the cash flows expected to be received, discounted at the original effective interest rate. An expected credit loss allowance is similar to an impairment provision.

An allowance for expected credit losses (ECLs) on all financial assets measured at amortised cost, e.g., most trade and other receivables, is set up through the Income Statement at initial recognition of the asset. The ECL is deducted from the carrying value of the asset on the balance sheet. Subsequent movements in the ECL (including release of the ECL if the asset is recovered in full) are reported in the Income Statement.

All ECL (impairment) allowances must be reviewed at least quarterly.

In applying the IFRS 9 impairment requirements, an entity needs to apply one of the following approaches:

- The simplified approach, which will be applied to trade receivables.
- The general approach, which will be applied to other receivables, including royalty receivables, and to loan assets and investments in debt securities.

a) The simplified impairment approach.

The simplified approach applied to trade receivables requires the recognition of lifetime ECLs at all times. Fidson uses a provision matrix as a practical expedient for determining ECLs on trade receivables, including non-overdue balances. The provision matrix should incorporate forward-looking information into historical customer default rates and, where appropriate, group receivables into customer segments that have similar loss patterns, such as Distributors, Sales representatives, and Institutions.

b) The general impairment approach

Under the general approach, prior to an asset actually being credit-impaired, entities recognise expected credit losses (ECLs) in two stages. For assets for which there has not been a significant increase in credit risk since initial recognition (i.e. 'good' exposures), entities are required to provide for ECLs that would result from default events that are possible within the next 12 months (a 12-month ECL).

For assets for which there has been a significant increase in credit risk since initial recognition, a loss allowance for ECLs expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL), is required.

Notes to the financial statements.

2.3.12 Financial instruments (cont'd)

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

b) The general impairment approach (cont'd)

Indicators of a significant increase in credit risk include:

- An actual or expected significant change in the financial asset's external or internal credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations, such as an increase in interest rates or a significant increase in unemployment rates.
- An actual or expected significant change in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant change in the debtor's ability to meet its debt obligations, such as a decline in the demand for the debtor's sales product because of a shift in technology;
- Expected changes in the loan documentation (i.e. changes in contract terms) including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group (e.g., an increase in the expected number or extent of delayed contractual payments); and
- Past due information on debtors.

For current assets (expected to be recovered in less than 12 months), there will be no difference between the 12-month ECL and the lifetime ECL.

(vii) Impairment of financial asset investments

financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset.

In the case of equity investments classified as financial asset, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the year in which the fair value has been below its original cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the profit or loss – is reclassified from equity and to the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognized in other comprehensive income.

Notes to the financial statements.

2.3.12 Financial instruments (cont'd)

(viii) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ix) Derecognition of financial liabilities

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

(x) Offsetting of financial instruments

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

Notes to the financial statements.

2.3.13 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials are stated at purchase cost on the weighted average basis.
- Finished goods and work in progress: Cost in this case consists of direct purchase cost, conversion cost (materials, labour and overhead) and other costs incurred to bring inventory to its present condition and location. Finished goods are valued using weighted average cost.
- Goods in transit are valued at the invoiced price.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

2.3.14 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs of disposal and its value in use.
Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

Notes to the financial statements.

2.3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, as shown in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, as shown in the statement of financial position, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.3.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognized in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.3.16 Pension and other post-employment benefits

Retirement benefit Schemes

The gratuity scheme is a defined benefit plan. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur. Actuarial gains and losses are not reclassified to the profit or loss in subsequent years.

Pension

The Company operates a defined contribution plan in line with the provisions of the Pension Reform Act 2014 as amended. This plan is in proportion to the services rendered to the Company by the employees with no further obligation on the part of the Company. The Company and its employee contribute 10% and 8% respectively of employees' current salaries and designated allowances to the scheme. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recorded as personnel expenses in the profit or loss.

Past service costs are recognized in the profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognizes restructuring-related costs

Notes to the financial statements.

2.3.16 Pension and other post-employment benefits (cont'd)

Pension (cont'd)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs and gains and losses on curtailments
- Net interest expense or income

Short term benefits
Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short term cash-bonus plans if the Company has a present and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

Termination benefits
Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

2.3.17 Dividends
Dividends on ordinary shares are recognised as a liability when they are approved by the Company's shareholders at the Annual General Meeting. Dividends for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

2.3.18 Segment reporting
For management purposes, the Company is organised into business units based on its products and has three reportable segments as follows:

- The over-the-counter segment, which represent the products that may be sold directly to the consumer without a prescription.
- Ethical products segment, which are drugs, injectables and infusion which would be sold to the consumer only on the possession of a valid prescription.
- Consumer healthcare product which represent manufacturing product for customers.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and cost of sales.

Notes to the financial statements.

3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management - Note 42
- Financial risk management and policies - Note 41

3.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Property, plant and equipment

The Company own a property with dual purpose. The portion not occupied by the Company cannot be separately sold or leased out under a finance lease arrangement. Management believe it occupies a significant portion of the property; hence the whole property has been classified as property, plant & equipment.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

Retirement benefits

The cost of defined benefit gratuity scheme is determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer to Note 2 for assumptions relating to retirement benefits.

Notes to the financial statements.

3.2 Estimates and assumptions (cont'd)

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

Financial instruments

The Company assesses at each reporting date whether there is any objective evidence that the financial assets is impaired. Financial assets are deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the Available-for-sale financial assets that can be reliably estimated. The objective evidence the Management relies upon in assessing the Available-for-sale financial assets for impairment includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also seen as objective evidence of impairment.

The Company judges that the impairment is significant if the fair value declined is between 20% and 30% and prolonged when it is between 9 and 12 months.

When the fair value of available-for-sale financial assets cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 19 on the details of financial instrument.

Property, plant and equipment

The Company carries its property, plant and equipment at cost in the Statement of Financial Position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company reviews the estimated the useful lives and residual values of its property, plant and equipment, and accounts for any changes prospectively. Refer to Note 14 on property plant and equipment.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended IFRS Accounting Standards that are effective for the current year (2023)

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 *Income Taxes*—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*—Definition of Accounting Estimates

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

New and revised IFRS Accounting Standards in issue but not yet effective
At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants
The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Notes to the financial statements.

4.0 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

5 Revenue

	Dec-23 ₦'000	Dec-22 ₦'000
Sales of goods		
Consumer Healthcare (Toll Manufacturing)	4,582,626	1,852,923
Ethical	32,590,249	26,857,251
Over-The-Counter (OTC)	15,877,479	11,923,969
	53,050,354	40,634,143

Revenue represents the net value of goods invoiced to third parties locally.

Notes to the financial statements.

		Dec-23	Dec-22
6	**Cost of sales**	**₦'000**	**₦'000**
	Consumer Healthcare (Toll Manufacturing)	3,769,934	1,414,367
	Ethical	15,645,179	12,446,285
	Over The Counter (OTC)	7,548,596	5,549,473
	Depreciation of factory PPE (Note 8a)	770,176	578,106
	Energy	1,853,154	1,447,290
	Personnel Cost	1,608,479	1,157,200
	Other factory overheads	783,927	859,743
		31,979,445	23,452,464

		Dec-23	Dec-22
7	**Other gains and losses**	**₦'000**	**₦'000**
	Amortisation of government grant	399,907	706,658
	Other operating income	10,986	38,968
	Gain on disposal of property, plant and equipment	8,287	34,228
	Rental income	-	4,750
	Sale of scrap	77,886	32,880
		497,066	817,484
7b	**Impairment of receivables (note 21)**	**227,781**	**(45,851)**

According to IAS 1 Impairment gain or loss should be disclosed separately on the financial statement. This has been disclosed separately in the statement of profit or loss and other comprehensive income. Please see below the comparative figure analysis.

Reclassified from	Reclassified to the face of Income statement.	Amount
Other gains and losses	Impairment of receivables	(45,851)

Notes to the financial statements.

		Dec-23	Dec-22
8	**Administrative expenses**	**₦'000**	**₦'000**
	Association and Membership	13,309	6,950
	Audit fee	22,500	17,500
	Conferences and Workshop	19,920	4,744
	Consultancy fees	408,083	135,582
	Corporate social responsibility	186,624	204,584
	Depreciation and amortisation (Note 8a)	496,561	407,769
	Diesel and fuel	254,968	165,405
	Insurance	202,963	157,842
	Legal	5,964	4,822
	Office supplies	37,346	17,328
	AGM Expenses	16,595	12,052
	Directors Expenses(Non-Executives)	36,825	41,970
	Bank administrative fee	278,116	197,963
	Newspapers and periodicals	-	3
	Personnel costs (Note 8b)	2,889,288	2,349,935
	Printing & stationery	144,694	86,060
	Repairs and maintenance	281,013	214,339
	Outsourced cleaning and security expenses	39,759	44,687
	Telephone & postage	102,233	76,413
	Training	36,154	82,351
	Travelling and entertainment	590,878	367,027
	Permit and Dues	118,994	53,511
	Auxiliary materials & Tools	225,268	141,422
	Canteen expenses	124,776	101,659
		6,532,831	4,891,918
8a	**Depreciation and amortisation**		
	Depreciation of property, plant and equipment (Note 14)	1,127,156	841,360
	Depreciation of Rights of use assets (Note 15)	57,690	88,451
	Depreciation of property, plant and equipment included in cost of sales (Note 6)	(770,176)	(578,106)
		414,670	351,705
	Depreciation of investment property (Note 16)	-	536
	Amortisation of intangible assets (Note 17)	81,891	55,528
		496,561	407,769
8b	**Personnel costs**		
	Gratuity	37,392	33,851
	Pension cost	111,593	56,331
	Salary and wages	2,740,303	2,259,753
	Total reported in admin (Note 8)	2,889,288	2,349,935
	Included in cost of sales (Note 6)	1,608,479	1,157,200
		4,497,767	3,507,135

Notes to the financial statements.

		Dec-23	Dec-22
		₦'000	₦'000
8c	**Net exchange loss**		
		1,261,246	758,597

Foreign exchange gain represents the gain resulting from exchange rate differences on foreign currency denominated transactions. Due to the materiality of the amount, the Net foreign exchange loss of N1.2billion (2022:759m) has been disclosed separately in the statement of profit or loss and other comprehensive income. Please see below the comparative figure analysis.

Reclassified from	Reclassified to the face of Income statement.	Amount
Admin Expenses	Foreign Exchange gain or Loss	758,597

		Dec-23	Dec-22
9	**Selling and distribution expenses**	₦'000	₦'000
	Promotion and advertisement	1,183,374	1,400,441
	Sales expenses	2,424,424	2,179,049
	Logistic expenses	1,942,050	1,326,303
		5,549,848	4,905,793
10	**Finance cost**		
	Interest on bank loans	1,466,579	1,639,067
	Interest on finance lease	3,798	38,531
	Interest on defined benefit obligation	37,392	33,851
	Interest on Commercial paper	594,099	61,207
		2,101,868	1,772,656
11	**Finance income**		
	Interest earned on loans and receivables	1,491	10,050
	Interest earned on other non-current financial asset	9,890	8,993
	Interest on fixed deposit	11,627	46,380
		23,008	65,423
12	**Profit before tax**		
	This is stated after charging:		
	Amortisation of intangibles (Note 17)	81,891	55,528
	Audit fee	22,500	17,500
	Depreciation of property, plant and equipment (Note 14)	1,127,156	841,359
	Depreciation of right of use assets (Note 15)	57,690	88,451
	Depreciation of investment property(Note 16)	-	536
	Finance cost (Note 10)	2,101,868	1,772,656
	Finance income (Note 11)	23,008	65,423
	Gain on disposal of property, plant and equipment	8,287	34,228
	Personnel costs (Note 8b)	4,497,767	3,507,135
	Net exchange loss (Note 7)	1,261,246	758,597

Notes to the financial statements.

13 Taxation

13a Income tax expense

The major components of income tax expense for the year ended 31 December 2023:

	Dec-23	Dec-22
Current income tax:	**₦'000**	**₦'000**
Current year income tax charge	660,829	1,219,016
Current education tax charge	178,265	172,572
Total current tax	839,094	1,391,588
Deferred tax		
Relating to origination of temporary differences	1,470,722	202,727
Total income tax expense reported in the profit or loss	2,309,816	1,594,315

Reconciliation of tax charge:		
Profit before tax	5,917,409	5,781,473
Tax at Nigerian statutory income tax rate of 30%	1,775,223	1,734,442
Disallowable expenses	(895,193)	(724,574)
Income exempted from tax	(219,200)	(34,228)
Education tax @ 3% of assessable profit	178,265	172,572
Investment allowance	-	243,376
Effect of deferred tax balance	1,470,722	202,727
	2,309,817	1,594,315
Effective tax rate	39%	28%

13b. Income tax payable

Current tax payable		
At 1 January	1,396,272	1,379,367
Charge for the year	839,094	1,391,588
Payments during the year	(1,396,272)	(1,374,683)
At 31 December	839,094	1,396,272

13c. Deferred tax liability

At 1 January	1,389,945	1,177,063
Amounts recorded in profit or loss	1,470,722	202,727
Amounts recorded in other comprehensive income	11,218	10,155
At 31 December	2,871,885	1,389,945

Notes to the financial statements.

13c. Deferred tax liability (cont'd)

	Dec-23 ₦'000	Dec-22 ₦'000
Deferred tax recognised in other comprehensive income:		
Re-measurement gain on defined benefit plan	11,218	10,155
Total deferred tax recognised in Other Comprehensive	**11,218**	**10,155**

2023	**Opening balance ₦'000**	**Recognised in profit or loss ₦'000**	**Recognised in OCI ₦'000**	**Closing balance ₦'000**
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	1,738,075	1,097,275		2,835,350
Employee benefit	(75,515)	(18,915)	11,218	(83,212)
Impairment of trade receivables	(44,271)	(75,849)		(120,120)
Unrealised exchange loss	(246,544)	537,334		290,790
Unutilised capital allowance	(0)			(0)
Impairment on Inventory	18,200	(69,123)		(50,923)
	1,389,945	**1,470,722**	**11,218**	**2,871,885**

2022	**Opening balance ₦'000**	**Recognised in profit or loss ₦'000**	**Recognised in OCI ₦'000**	**Closing balance ₦'000**
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	1,792,007	(53,932)	-	1,738,075
Employee benefit	(286,586)	200,916	10,155	(75,515)
Impairment of trade receivables	(173,406)	129,135	-	(44,271)
Unrealised exchange loss	(201,073)	(45,471)	-	(246,544)
Unutilised capital allowance	6,003	(6,003)	-	(0)
Impairment on Inventory	40,118	(21,918)		18,200
	1,177,063	**202,727**	**10,155**	**1,389,945**

Notes to the financial statements.

14 Property, plant and equipment

COST:	LAND	BUILDING	MOTOR VEHICLES	OFFICE EQUIPMENT	PLANT & MACHINERY	FURNITURE & FITTINGS	CAPITAL WIP	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2022	783,086	8,890,268	1,102,623	941,081	3,568,668	218,236	3,050,906	18,554,868
Additions	462,100	895,741	418,824	155,013	1,331,706	7,558	3,342,621	6,613,563
Disposals	(79,556)	(1,328,098)	(99,751)	(6,288)	(65,782)	-	-	(1,579,475)
Transfer from ROU (14.1)	-	-	-	-	-	-	27,500	27,500
Reclassification	-	902,575	31,260	120,612	1,102,033	-	(2,156,480)	-
At 31 December 2022	1,165,630	9,360,486	1,452,956	1,210,418	5,936,625	225,794	4,264,527	23,616,456
Additions	-	291,947	98,976	146,253	700,535	193,698	3,014,179	4,445,588
Disposals	-	-	(83,800)	(260)	(20,825)	-	-	(104,885)
Transfer (Note 14.2)	-	-	-	-	-	-	(202,775)	(202,775)
Reclassification	-	2,318,231	442,043	1,566	1,224,259	-	(3,986,099)	-
As at 31 December 2023	1,165,630	11,970,664	1,910,175	1,357,977	7,840,594	419,492	3,089,832	27,754,384
DEPRECIATION :								
At 1 January 2022	-	1,086,228	463,577	701,245	1,278,382	132,442	-	3,661,874
Charge for the year	-	166,644	211,971	86,332	361,760	14,652	-	841,359
Disposal	-	(323,516)	(89,578)	(5,463)	(46,217)	-	-	(464,774)
Reclassification	-	-	-	-	12,409	-	-	12,409
								-
At 31 December 2022	-	929,356	585,970	782,114	1,606,334	147,094	-	4,050,868
Charge for the year	-	182,315	296,364	501,674	501,674	18,726	-	1,127,153
Disposal	-	-	(75,984)	(31)	(19,784)	-	-	(95,799)
As at 31 December 2023	-	1,111,671	806,350	910,157	2,088,224	165,820		5,082,222
CARRYING VALUE:								
As at 31 December 2023	1,165,630	10,858,993	1,103,825	447,820	5,752,370	253,672	3,089,832	22,672,162
As at 31 December 2022	1,165,630	8,431,130	866,986	428,304	4,330,291	78,700	4,264,527	19,565,588

14.1 This represents transfer from right-of-use asset.

14.2 This represents reversal of initial transaction recognized in capital work in progress to the affected vendor's account.

14.3 The company's assets have been pledged as security for bank borrowings to the tune of the outstanding balance of total borrowings outside the Company at the reporting date (See Note 24).

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

15 Right of Use Assets

COST:	MOTOR VEHICLES	PLANT & MACHINERY	TOTAL
	N'000	N'000	N'000
At 1 January 2022	359,803	476,928	836,731
Disposals	(26,027)	-	(26,027)
Reclassification (Note 15.1)	-	(27,500)	(27,500)
At 31 December 2022	333,776	449,428	783,204
Disposals	(120,784)	-	(120,784)
At 31 December 2023	212,992	449,428	662,420
ACCUMULATED DEPRECIATION :			
At 1 January 2022	259,206	91,255	350,461
Charge for the year	54,596	33,855	88,451
Adjustment/Reclassification		(12,409)	(12,409)
Disposal	(24,116)	-	(24,116)
At 31 December 2022	289,686	112,701	402,387
Charge for the year	23,835	33,855	57,690
Disposal	(112,707)	-	(112,707)
At 31 December 2023	200,814	146,556	347,370
CARRYING AMOUNT:			
At 31 December 2023	12,178	302,872	315,050
At 31 December 2022	44,090	336,727	380,817

Notes to the financial statements.

15 Right of Use Assets (cont'd)

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

15.1 This represents reclassification from ROU to PPE

15.2 **Amounts recognised in profit or loss**	**Dec-23**	**Dec-22**
	₦'000	**₦'000**
Depreciation expense on right of use assets	57,690	88,451
Interest expenses on lease liabilities (Note 25)	3,798	38,531

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

16.0 Investment Property	**Dec-23**	**Dec-22**
	₦'000	**₦'000**
Cost		
At 1 January	-	48,376
Disposal	-	(48,376)
At 31 December	-	-
Accumulated depreciation		
At I January	-	16,553
Charge for the year	-	536
Disposal	-	(17,089)
At 31 December	-	-
Carrying amount	-	-

The only investment property held by Fidson Healthcare Plc was the premises used by Ecomed. The property was disposed of in 2022.

	Dec-23	**Dec-22**
	₦'000	**₦'000**
Rental income derived from investment property	-	4,750

Notes to the financial statements.

17.0 Intangible assets

Product licenses	**Dec-23**	**Dec-22**
	₦'000	**₦'000**
Cost:		
At 1 January	372,629	315,279
Additions	83,924	57,350
At 31 December	456,553	372,629
Amortisation		
At 1 January	349,085	293,557
Charge for the year	81,891	55,528
At 31 December	430,976	349,085
Carrying amount	**25,577**	**23,544**

The product licenses are intangible assets with finite life and are amortized in line with the provisions of IAS 38. The intangible assets are tested for impairment when there are indicators of impairment in line with the provisions of IAS 36, by comparing the recoverable amount with the carrying amount at the end of the reporting period. There were no indicators of impairment during the year.

18 Financial assets

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

	Dec-23	**Dec-22**
	₦'000	**₦'000**
Financial Instrument (18a)	7,730	4,800
Loans and receivables (18b)	501,193	14,692
Total financial instruments	**508,923**	**19,492**

18a Financial Instrument

Quoted equity at fair value (Zenith Bank Plc)		
At 1 January	4,800	5,030
Gain/(Loss) FVTOCI	2,930	(230)
At 31 December	**7,730**	**4,800**

The Company recognized a fair value gain of N2,930,000 (2022: N230,000) on financial instrument quoted equity. The gain is recognized in other comprehensive income.

Notes to the financial statements.

18b Loans and receivables

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

	Dec-23	Dec-22
	₦'000	₦'000
Investment with CardinalStone Partners (18b.1)	16,183	14,692
Financial Asset - Forwards (18b.2)	485,010	-
Total	**501,193**	**14,692**

	Dec-23	Dec-22
	₦'000	₦'000
18b.1 **Loans and receivables**		
Investment with Cardinal Stone Partners		
At 1 January	12,876	12,304
Additions	-	-
Drawdown	-	-
Interest accrued	1,491	572
Sinking Fund	1,816	1,816
At 31 December	**16,183**	**14,692**

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

18b.2 Financial Asset - Forwards	Dec-23	Dec-22
	₦'000	₦'000
Opening	-	-
Addition	485,010	-
Redeemed	-	-
Balance	**485,010**	

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

	Dec-23	Dec-22
19 Other non –current financial asset	₦'000	₦'000
Meristem Trustees		
At 1 January	174,542	-
Transfer From ALM Trustees	-	171,423
Proceeds	-	-
Accrued interest	9,890	3,119
Other Investment	-	-
	184,432	174,542

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

Notes to the financial statements.

		Dec-23 ₦'000	Dec-22 ₦'000
20	**Inventories**		
	Finished goods	5,767,551	5,929,253
	Goods-in-transit	4,162,054	4,198,120
	Raw and Packaging materials	6,051,990	4,047,366
	Work- in- progress	27,710	93,019
	Engineering spare parts	350,399	330,774
	Promotional and Other Consumable Materials	146,768	140,046
		16,506,472	14,738,578
	Total inventory write-down (Note 20a)	(149,523)	(131,792)
		16,356,949	14,606,786

20a	**Inventories Write-down**		
	At 1 January	(131,792)	(75,792)
	Addition	(154,312)	(56,000)
	Write off	136,581	-
	At 31 December	(149,523)	(131,792)

The Company did not pledge any inventory as collateral for loans. The value of inventory written down in the year is ₦149.5 million (2022: N131.7 million)

		Dec-23 ₦'000	Dec-22 ₦'000
21	**Trade and other receivables**		
	Trade receivables (Note 21b)	5,693,528	3,974,730
	Impairment Loss	(364,000)	(136,219)
		5,329,528	3,838,511
	Other receivables (Note 21c)	558,299	410,885
		5,887,827	4,249,396

Other receivables relate to withholding tax, and staff advances. These are not interest bearing and repayment is within 1 year.

Trade receivables meet the definition of financial asset and the carrying amount of the trade receivables approximates their fair value. Trade receivables are expected to be fully collected within 1 year.

Notes to the financial statements.

21 Trade and other receivables (cont'd)

The company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position adjusted for factors that are specific to the debtors' general economic conditions of the industry in which the debtor operate and an amendment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumption made during the current reporting period.

The company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the bad receivables are over two years past due, whichever occurs earlier.

As at 31 December 2023, the ageing analysis of trade receivables is as shown in note 21b.

21a As at 31 December 2023, trade receivables valued at ₦364million (2022: ₦136million) were impaired and provided for. See below for the movements in the provision for impairment of trade receivables.

	Individually impaired ’₦000
At 1 January 2023	136,218
Addition	227,782
At 31 December 2023	364,000
At 1 January 2022	182,069
Write back of excess provision (Note 7)	(45,851)
At 31 December 2022	136,218

Notes to the financial statements.

21b.

SUMMARY AGED RECEIVABLES AS AT 31/12/2023									
		1-30 Days	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-240 Days**	**240-360 Days**	**Above 360 Days**	**Balance**
DISTRIBUTORS	Estimated total gross carrying amount at default	**1,274,540**	**838,662**	**145,859**	**31,254**	**32,019**	**19,959**	**49,261**	**2,391,554**
	HISTORICAL LOSS RATE	0.14%	1.29%	1.04%	3.01%	3.38%	3.61%	3.64%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	0.19%	1.66%	2.88%	3.88%	4.35%	4.65%	4.69%	
	Lifetime Expected credit loss	**2,378**	**13,955**	**4,198**	**1,214**	**1,393**	**928**	**2,312**	**26,378**
INSTITUTIONS	Estimated total gross carrying amount at default	**1,594,971**	**505,679**	**310,775**	**102,559**	**209,554**	**104,589**	**164,107**	**2,992,234**
	HISTORICAL LOSS RATE	2.02%	5.73%	6.24%	7.64%	8.22%	9.24%	9.72%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	2.60%	7.39%	8.87%	9.85%	10.59%	11.91%	12.54%	
	Lifetime Expected credit loss	**41,468**	**37,386**	**27,554**	**10,100**	**22,199**	**12,454**	**20,574**	**171,735**
REPS	Estimated total gross carrying amount at default	**174,636**	**14,719**	**10,766**	**8,130**	**20,726**	**8,458**	**25,564**	**262,999**
	HISTORICAL LOSS RATE	0.53%	12.57%	7.82%	18.12%	19.18%	22.01%	22.74%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	0.68%	16.21%	21.47%	23.36%	24.73%	28.37%	29.32%	
	Lifetime Expected credit loss	**1,191**	**2,385**	**2,312**	**1,899**	**5,125**	**2,400**	**7,495**	**22,807**
GOVT BUS	Estimated total gross carrying amount at default	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	HISTORICAL LOSS RATE	64.40%	64.40%	64.40%	64.40%	64.40%	64.40%	32.20%	
	FORWARD LOOKING INFORMATION (INFLATION RATE)	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	28.92%	
	Expected credit loss (ECL) rate	93.32%	93.32%	93.32%	93.32%	93.32%	93.32%	33.08%	
	Lifetime Expected credit loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EXITED STAFF	Estimated total gross carrying amount at default	-	-	-	-	-	-	31,741	**-**
	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	-	-	-	-	-	**31,741**	**31,741**
DOUBTFUL DEBT	Estimated total gross carrying amount at default	-	-	-	-	-	-	-	**-**
	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	-	-	-	-	-	-	-
KEDI	Estimated total gross carrying amount at default	-	15,000	-	-	-	-	-	**15,000**
Dec 2023 SUMMARY	Total gross carrying amount at default	**3,044,146**	**1,374,060**	**467,399**	**141,943**	**262,299**	**133,006**	**270,673**	**5,693,527**
	Impaired item from staff loan and Other Debtors							111,338	111,338
	Total lifetime expected credit loss	**45,037**	**53,726**	**34,064**	**13,213**	**28,717**	**15,782**	**173,460**	**363,999**
	Net Receivables	**2,999,109**	**1,320,334**	**433,335**	**128,730**	**233,582**	**117,224**	**97,214**	**5,329,528**

Notes to the financial statements.

21b.

SUMMARY AGED RECEIVABLES AS AT 31/12/2022		1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-240 Days	240-360 Days	Above 360 Days	Balance
	Estimated total gross carrying amount at default	277,123	1,131,270	202,330	19,147	40,456	20,829	30,469	1,721,624
	HISTORICAL LOSS RATE	0.38%	0.40%	0.14%	0.46%	0.49%	0.82%	3.74%	-
DISTRIBUTORS	**FORWARD LOOKING INFORMATION (INFLATION RATE)**	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	-
	Expected credit loss (ECL) rate	0.86%	0.88%	0.90%	0.94%	0.97%	1.30%	4.22%	-
	Lifetime Expected credit loss	2,376	9,900	1,825	180	391	270	1,287	16,229
	Estimated total gross carrying amount at default	99,870	557,437	340,823	217,189	337,448	199,198	138,718	1,890,683
	HISTORICAL LOSS RATE	1.52%	1.59%	2.28%	1.77%	1.87%	2.56%	5.47%	-
INSTITUTIONS	**FORWARD LOOKING INFORMATION (INFLATION RATE)**	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	-
	Expected credit loss (ECL) rate	2.00%	2.07%	2.16%	2.25%	2.35%	3.04%	5.95%	-
	Lifetime Expected credit loss	1,999	11,548	7,358	4,897	7,933	6,056	8,252	48,043
	Estimated total gross carrying amount at default	24,717	225,668	25,597	9,849	21,075	6,263	16,862	330,031
	HISTORICAL LOSS RATE	0.95%	1.00%	0.53%	1.08%	1.15%	1.77%	5.63%	-
REPS	**FORWARD LOOKING INFORMATION (INFLATION RATE)**	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	-
	Expected credit loss (ECL) rate	1.43%	1.48%	1.50%	1.56%	1.63%	2.25%	6.11%	-
	Lifetime Expected credit loss	353	3,344	384	154	343	141	1,030	5,749
	Estimated total gross carrying amount at default	-	-	-	-	-	-	-	-
	HISTORICAL LOSS RATE	64.40%	64.40%	64.40%	64.40%	64.40%	64.40%	32.20%	-
GOVT BUS	**FORWARD LOOKING INFORMATION (INFLATION RATE)**	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	-
	Expected credit loss (ECL) rate	64.88%	64.88%	64.88%	64.88%	64.88%	64.88%	33.08%	-
	Lifetime Expected credit loss	-	-	-	-	-	-	-	-
	Estimated total gross carrying amount at default	-	18750	-	-	-	-	13,641	32,391
EXITED STAFF	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	
	Lifetime Expected credit loss	-	18,750	-	-	-	-	13,641.00	32,391
	Estimated total gross carrying amount at default	-	-	-	-	-	0	0	-
DOUBTFUL DEBT	Expected credit loss (ECL) rate	100%	100%	100%	100%	100%	100%	100%	-
	Lifetime Expected credit loss	-	-	-	-	-	-	-	-
	Total gross carrying amount at default	401,711	1,933,126	568,750	246,185	398,979	226,290	199,690	3,974,730
	Impaired item from staff loan and Other Debtors							33,807	33,807
DEC 2022 SUMMARY	Total lifetime expected credit loss	4,728	43,542	9,567	5,231	8,667	6,467	58,017	136,219
	Net Receivables	396,983	1,889,584	559,182	240,954	390,311	219,823	141,673	3,838,511

Notes to the financial statements.

		Dec-23	Dec-22
		₦'000	**₦'000**
21c.	**Other receivables**		
	Withholding tax receivables (WHT)	192,516	158,040
	Staff advances and other debtors	365,783	252,845
		558,299	410,885

		Dec-23	Dec-22
		₦'000	**₦'000**
22	**Prepayments**		
	Advance to suppliers	4,122,214	1,554,422
	Other prepayments	1,131,349	291,568
		5,253,563	1,845,990

This represents advances made to suppliers for the purchase of factory raw and packaging materials. Other prepayments include prepaid advert, prepaid insurance, and prepaid rent. Prepaid rent relates to rental paid for warehouses and offices outside Lagos.

		Dec-23	Dec-22
		₦'000	**₦'000**
23	**Cash and bank balances**		
	Bank balances	4,644,013	2,097,321
	Cash at hand	16,372	15,790
	Short-term deposits (including demand and time deposits)	10,091	2,025
	Restricted cash for letter of credit	6,116,167	-
	Total cash and bank balances	10,786,643	2,115,136

Short–term deposits are made for varying years of between one day and three months, depending on the immediate cash requirements of the Company and weighted average interest rate is at 9.57%.
There was no impairment on any cash and cash equivalents item.

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

	Dec-23	Dec-22
	₦'000	**₦'000**
Bank overdraft	(781,784)	(290,004)
Cash and cash equivalents	10,786,643	2,115,136
	10,004,859	1,825,132

Bank overdraft represents the outstanding commitment on short-term borrowings for working capital management. The bank overdrafts are secured against mortgage debenture held by a trustee. The lenders are Access Bank, Guaranty Trust Bank, FCMB, Fidelity and FSDH. The interest on the overdraft ranges from 22– 23%.

Cash at banks in some classified account (e.g. Call accounts, DSRA account and others) earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Notes to the financial statements.

24 Interest Bearing Loans and borrowings

	Dec-23	Dec-22
(Non-current portion)	**₦'000**	**₦'000**
Bank of Industry ('BOI') 4 (Note 24b)	355,231	494,439
CBN DCRR/FCMB-Capex(Note 24d)	1,049,900	1,327,739
NEXIM/Fidelity-Capex(Note 24e)	280,371	624,173
Bank of Industry ('BOI')(24f)	-	1,000
Bank of Industry Term Loan 5billion (Note 24f)	2,532,940	3,299,088
Bank of Industry-N2.5Billion Capex (24g)	1,892,368	-
	6,110,810	5,746,439
(Current portion)		
Bank of Industry ('BOI') 4 (Note 24b)	162,162	165,230
FCMB - RSSF (Note 24c)	-	82,033
CBN DCRR/FCMB-working Capital(Note 24d)	-	466,051
CBN DCRR/FCMB-Capex(Note 24d)	-	400,000
CBN/DCRR/FCMB - CAPEX (Note 24d)	326,119	298,390
NEXIM/Fidelity-working capital (24e)	400,000	1,498,078
Bank of Industry Term Loan 5billion (Note 24f)	1,000,000	1,041,450
Bank of Industry N2.5Billion Capex (Note 24g)	250,000	-
Short term borrowings (Note 24h)	9,524,804	1,847,181
	11,663,085	5,798,413
Total		
	17,773,893	11,544,852

24a Reconciliation of interest bearing loans

	Dec-23	Dec-22
At 1 January	11,544,852	8,410,848
Interest expense	1,466,579	1,639,067
Additions	11,105,017	5,706,954
Transfer to Government grant	(403,847)	(687,129)
Principal repayment	(3,602,836)	(1,885,821)
Interest paid	(1,454,692)	(1,639,067)
Exchange difference	(881,180)	-
	17,773,893	11,544,852

24b The BOI loan is a N2billion loan granted in two tranches of N1bn each. The first N1bn granted at 10% for 84 months for capital expenditure while the other N1bn granted at 15% for 42 months to augment working capital.

A fair value of the loan was obtained using an estimated market rate of 18%. The difference between the loan rate and market rate accounted for a grant element of N221.2m. This was recognized as a government grant and will be amortized to profit or loss over the duration of the loan. The loan was granted in 2019 with a moratorium of 1 year.

The moratorium on principal repayment of BOI loan 3 and 4 has been extended by one year, this is to cushion the effect of the covid pandemic,2% reduction in interest rate was also granted until March 31, 2021.The working capital loan has been paid off.

Notes to the financial statements.

24c RSSF loan is a N1.5billion Central Bank of Nigeria (CBN) Real Sector Support Facility granted to Fidson Healthcare Plc at 9% for 60 months. A fair value of the loan was obtained using estimated market rate of 17%. The difference between the loan rate and market rate accounted for a grant element of N213m which has been recognized as government grant and will be recognized over the duration of the loan. The loan was granted in 2018 for the acquisition of Gas Generators and other pharmaceutical machinery for the factory. The interest on RSSF loan was reduced to 5% for a period of one year to cushion the effect of covid 19 pandemic. The loan has been paid off.

24d FCMB loan is a N2.5billion Central Bank of Nigeria (CBN) Real Sector Support Facility-Differentiated Cash Reserve Requirement granted to Fidson Healthcare PLC for 84 months. The principal and interest shall be in twenty equal instalments and the interest shall be 9% per annum, however the CBN concessionary rate of 5% elapsed on February 28,2021. in addition, the moratorium period for principal repayment was further extended by another one year till 2022.

24e Nexim Loan is a N3billion Nigerian Export-Import bank loan under the direct lending scheme to Fidson Healthcare PLC at the rate of 9% per annum.

The loan was disbursed in two equal instalments, N1.5billion for equipment finance and the other for working capital utilization. The first instalment was disbursed in December 2020 while the last instalment was disbursed in February 2021. The working capital loan has been paid off.

24f The new BOI facility is a 6years period term loan of N5billion of which the sum of N 2billion was disbursed during the year. the initial interest rate on the facility is 5% which elapsed in February 2022 and current interest rate on the facility is 9%. The security on the borrowing is a tripartite legal mortgage over the property.

24g The new BOI facility is a 6-year period term loan of N2.5billion secured during the year for additional equipment finance due to the expansion of our production facility. The interest rate on the facility is 10% with a 12 month moratorium. The security on the borrowing is a tripartite legal mortgage over the property.

24h Short- term borrowings above are current and are expected to be settled within 12 months of the reporting date. The loan is from Wema Bank, Parallex Bank, Lotus Bank, and First City monument Bank with an Interest rate of 20%. The security on the borrowing is a tripartite legal mortgage over the property.

The carrying value of short-term borrowings approximates their fair value due to the short-term nature and the fact that there were no material movement in market rates since the inception the loans .

Details of short-term borrowings are as follows:	**Dec-23**	**Dec-22**
	₦'000	**₦'000**
FCMB-bankers acceptance	800,000	379,351
FSDH - import finance facility	-	481,734
Wema LC Liability	1,217,541	981,462
Union bank LC Liability	-	4,634
Coronation	1,294,068	-
Lotus Bank LC Liability	1,690,116	-
Parallex bank LC Liability	3,052,310	-
LC liability - Others	1,470,769	-
	9,524,804	1,847,181

Notes to the financial statements.

25 Lease Liabilities

The company has entered into commercial leases on certain motor vehicles. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. The liability has been paid off during the year.

25a Maturity analysis

	Dec-23	Dec-22
	₦'000	₦'000
year 1	-	63,590
Year 2	-	-
	-	-
Less Unearned Interest	-	38,531
	-	55,581
Analysed as		
Current	-	55,581
Non Current	-	-
	-	55,581
Reconciliation of obligation under finance lease		
At 1 January	55,581	150,940
Interest	3,798	38,531
Repayment	(59,379)	(133,890)
	-	55,581

26 Retirement benefit obligation

Net benefit expense (recognised in administrative expenses)

	Dec-23	Dec-22
	₦'000	₦'000
Interest cost on benefit obligation	37,392	33,851
Net benefit expense	37,392	33,851
Defined benefit liability	252,158	263,602

The 2023 actuarial valuation was carried out by Ernest & young and signed by Miller Kingsley with FRC number FRC/2012/NAS/00000002392

Notes to the financial statements.

26 Retirement benefit obligation (cont'd)

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

	Dec-23	Dec-22
	₦'000	**₦'000**
Defined benefit liability at 1 January	263,602	268,185
Interest cost	37,392	33,851
Benefits paid	(11,444)	(4,583)
Re-measurement gain on obligation(experience adjustment)	(37,392)	(33,851)
	252,158	263,602
	252,158	263,602

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

Financial Assumptions		
(Long Term Average)	2023	2022
	%	%
Discount Rate (p.a)	16.70	14.50
Average Pay Increase (p.a)	N/A	N/A
Average Rate of Inflation (p.a)	14.50	13.00
Rate of future Interest Credit (p.a)	16.70	14.50

Notes to the financial statements

26 Retirement benefit obligation (cont'd)

Sensitivity Analysis on Accrued Liability

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

2022		**Accrued Liability**
		₦'000
Base		263,602
Discount rate	+1%	263,602
Discount rate	-1%	263,602
Age rated up to 1 year		263,602
Mortality rate		263,602
Age rated down by 1 year		263,602

Demographic Assumptions
Mortality in Service

(Sample Ages)	**Number of deaths in the year out of 10,000 lives**	
	2023	**2022**
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service (Age Band)	**2023**	**2022**
	%	**%**
Less than or equal to 30	7.5	7.5
31 – 39	6.0	6.0
40 – 44	5.0	5.0
45 – 60	3.0	3.0

The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme.

Notes to the financial statements

26 Retirement benefit obligation (cont'd)

The company has a medium-term strategy of increasing salaries to reflect inflation, the actuaries prudently allowed for 1% margin for 2023.

The mortality base table used for the scheme is A67/70 Ultimate Tables, published jointly by the Institute and Faculty of actuaries in the United Kingdom.

The table below shows the maturity profile of defined benefit obligation:

	2023 ₦'000	2022 ₦'000
Within the next 12 months (next annual reporting period)	11,095	10,519
Between 2 and 5 years	189,966	115,333
Between 5 and 10 years	366,656	395,953
Beyond 10 years	248,881	260,262
	816,598	782,067

The weighted average duration of the defined benefit plan obligation is 5.87 years. (6.61 years in 2022)

27 Government grant

	Dec-23 ₦'000	Dec-22 ₦'000
At 1 January	997,886	1,017,415
Additions	403,847	687,129
Released to profit or loss (Note 7)	(399,907)	(706,658)
	1,001,826	997,886
Current	392,863	346,595
Non-current	608,963	651,291
	1,001,826	997,886

This represents the grant elements of the Central Bank of Nigeria intervention loans, after the loans were re-measured using the effective interest rate. The government grants have been recognized in the statement of financial position and are being amortized through the profit or loss on a systematic basis over the tenure of the loans.

Notes to the financial statements

		Dec-23	Dec-22
		₦'000	₦'000
28	**Trade and other payables**		
	Trade payables	5,544,081	3,849,768
	Accruals	1,504,723	2,427,806
	Other payables (Note 28a)	2,027,207	738,156
		9,076,011	7,015,730
28a.	**Other payables**		
	Other creditors	1,504,541	469,853
	Withholding tax (WHT)	327,336	153,998
	Nigeria Social Insurance Trust Fund (NSITF)	-	6,153
	Payable to the Directors	152,652	55,833
	Pay as you earn (PAYE)	29,086	37,837
	Staff Cooperative	2,351	309
	NHF	964	1,005
	VAT Payable	507	511
	Staff Pension Fund	9,770	12,657
		2,027,207	738,156

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other creditors are non-interest bearing and have an average term of six months.

Trade payables, and other payables meet the definition of financial liability and their carrying amounts approximate fair value because the terms and conditions of payment is within 1 year for trade and other payables.

Included in the other creditors are:

	Dec-23	Dec-22
	₦'000	₦'000
Distributors and sales representative	1,285,175	333,284
Pioneer Director Retirement Liability	219,366	136,568
	1,504,541	469,852

		Dec-23	Dec-22
29	**Other Current Financial Liabilities**		
	Commercial papers	10,000,000	3,000,000
		10,000,000	3,000,000

The commercial paper was raised to augment the working capital need of Fidson Healthcare Plc. This need arose as a result of constant depreciation of naira to dollar in the foreign exchange market.

Notes to the financial statements

30 Dividends

On 11 September 2023, a dividend of N0.55k per share (total dividend: N1.26billion) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2022 financial year.

In respect of the current year, the Directors proposed a dividend of N0.60k per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

	Dec-23	Dec-22
	₦'000	₦'000
Dividends paid and proposed	1,262,248	1,043,180
Paid during the year	(1,262,248)	(1,043,180)
Balance unpaid	-	-
Dividends on ordinary shares:		
Proposed dividend for 2023: N0.60k per share (2022: N0.55k per share)	1,376,998	1,262,248

30a Unclaimed dividend

Unclaimed dividend	100,745	108,140

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

30b Reconciliation of unclaimed dividend

	Dec-23	Dec-22
	₦'000	₦'000
At I January	108,140	88,215
Additions	1,262,248	1,262,248
Payment	(1,262,248)	(1,262,248)
(Payment)/refund of unclaimed dividend	(7,395)	19,925
At 31 December	100,745	108,140

31 Share capital and reserves

	Dec-23	Dec-22
	₦'000	₦'000
Issued and fully paid:		
2,086,360,250 ordinary shares of 50k each	1,147,498	1,043,180
208,636,025 Bonus Shares of 50k each for 10 ordinary shares	-	104,318
	1,147,498	1,147,498

Notes to the financial statements

32 Share premium

	Dec-23	Dec-22
	₦'000	**₦'000**
At 1 January 2023	4,829,614	4,933,932
Bonus Share of 50k each for 10 ordinary shares	-	(104,318)
	4,829,614	4,829,614

Section 120.2 of Companies and Allied Matters Act requires that where a Company issue shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

Share premium arises from shares issued at a price higher than the nominal value. The current balance was as a result of increase in share capital with a nominal value of 50k from 200,000,000 to 1,500,000,000 and 1,500,000,000 to 2,086,360,250 ordinary shares in November 2007 and April 2019 respectively.

33 Fair Value reserve

The reserve records fair value changes in available for sale financial asset.

	Dec-23	Dec-22
	₦'000	**₦'000**
At 1 January	355	585
Other Comprehensive gain /(loss) for the year, net	2,930	(230)
At 31 December	3,285	355

Gain or loss on equity available for sale financial asset is not taxable. Hence, no deferred tax was recognised for fair value gain or loss. This is to aid any user of the financial statement not familiar with Nigerian tax laws.

34 Guarantees and other financial commitments

a. Capital expenditure

The Company has proposed ₦2.87 billion (N2.8 billion:2022) for capital expenditure for 2023 financial year as follows:

Contracted for: ₦466,980 million (N689 Million:2022)
Not contracted for: ₦2.40 billion(N2.11billion:2022)

b Financial commitments

The directors are of the opinion that all known liabilities and commitments have been considered in the preparation of the financial statement under review. These liabilities are relevant in assessing the Company's financial position and performance.

Notes to the financial statements

34 Guarantees and other financial commitments (cont'd)

c Security of facilities

The bank loans and overdrafts are secured principally by a legal mortgage over some of the Company's land and buildings, debenture on the Company's assets, lien on shipping documents of goods imported, personal guarantee of Dr. Fidelis A. Ayebae and joint and several guarantees of the Directors of Fidson Healthcare Plc. The mortgage debenture is on the land, building, plant and machinery of Fidson Healthcare Plc (including plant and machinery of the biotech factory located at Veepee Avenue, Otta Industrial Estate, Ogun State.

35 Contingent liabilities

The company had no contingent liabilities as at 31 December 2023. (31 December 2022: Nil)

36 Related party transactions

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

36a Compensation of Key Management Personnel

	Dec-23	Dec-22
	₦'000	₦'000
Short-term employee benefits	530,261	594,573
Post-employment benefits	16,660	17,689
Total compensation paid to key management personnel	546,921	612,262

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

	Dec-23	Dec-22
	₦'000	₦'000
N1,000,000 to N10,000,000	-	9
N10,000,001 to N20,000,000	20	8
N20,000,001 and above	5	5
	25	22

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

Notes to the financial statements

36b. Directors' emoluments

The remuneration paid to the Directors is as follows:

	Dec-23	Dec-22
	₦'000	**₦'000**
Executive compensation	256,911	216,167
Fees and sitting allowance	18,412	12,330
Total Directors' emoluments	275,323	228,497

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

	Dec-23	Dec-22
	₦'000	**₦'000**
The chairman	5,500	5,500
Highest paid Director	70,000	60,000

37 Information relating to employees.

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

	Dec-23	Dec-22
	₦'000	**₦'000**
Less than 500,000	-	-
500,001 - 1,000,000	-	-
1,000,001- 1,500,000	61	59
1,500,001 -2,000,000	98	75
2,000,001 -2,500,000	83	52
2,500,001 -3,000,000	59	22
3,000,001 and above	349	385
	650	593

37.1 Staff

The average numbers of persons employed were as follows:

	Numbers	Numbers
Executive Management	24	21
Commercial and Marketing	192	176
Production	266	255
Operation	94	82
Finance and Admin	74	59
	650	593

Notes to the financial statements

38 Segment information

For management purposes, the performance of the business is assessed along product classes. Two of the Company’s products have been identified as reportable segments for the purpose of IFRS 8. However, information for the product classes is only maintained at the revenue and cost of sales level. Financing and Income taxes are reported Company wide.

There is no single external customer whose transaction amount to 10% or more of the entity’s revenue. Revenue for over-the-counter product accounts for 29% of total revenue, while Ethical product accounts for 61%. Revenue from north region accounts for 30% of the total revenue. The Executive Management Committee monitors the operating results of the whole business for the purpose of making decisions about resource allocation and performance assessment.

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

	Dec-23	Dec-22
Revenue:	**₦’000**	**₦’000**
Consumer Healthcare (Toll Manufacturing)	4,582,626	1,852,923
Ethical	32,590,249	26,857,251
Over-The-Counter	15,877,479	11,923,969
Total Revenue	53,050,354	40,634,143
Cost of Sales		
Consumer Healthcare (Toll Manufacturing)	3,769,934	1,414,367
Ethical	15,645,179	12,446,285
Over The Counter (OTC)	7,548,596	5,549,473
Depreciation of factory PPE (Note 15)	770,176	578,106
Energy	1,853,154	1,447,290
Personnel Cost	1,608,479	1,157,200
Other Factory Overheads	783,927	859,743
Total cost of sales	31,979,445	23,452,464

38.1 Geographical Information

Currently the company's operations are domiciled in Nigeria.

38.2 Information about Major customers

Included in Revenue are revenues of approximately N1.74billion (2022: N1.50billion) which arose from sales to the company's largest customer. In addition, four other customers contributed more than 10% to the company's revenue altogether amounting to N6.10billion (2022: N4.09billion)

Notes to the financial statements

39 Financial instruments risk management objectives and policies

The company deploys a few financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities of the Company comprise bank borrowings, trade payables and finance leases which are deployed purposely to finance the Company's operations and to provide liquidity to support the Company's operations.

The financial assets of the Company include available-for-sale investments, loans and receivables, trade receivables, and cash and short-term deposits also necessarily required for the operations of the Company.

The principal risks that Fidson Healthcare Plc is exposed to as a result of holding the above financial instruments include market risk, credit risk and liquidity risk. The senior management of the Company oversees the management of these risks through the establishment of adequate risk management framework with appropriate approval process, internal control.

and authority limits. Thus, the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with those policies. The Board of Directors which is responsible for the overall risk management of the Company reviews and agrees on policies for managing each of these risks inherent in its involvement in financial instruments and operations are as summarised below.

Market risk.
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, trade payables, available-for-sale investments, finance lease obligations, cash and cash equivalents, bank overdraft, finance lease obligation and loans and receivables.

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

Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily is US Dollars.

Notes to the financial statements

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

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

US Dollar exposure:

	2023	2022
	$	$
Current liabilities:	$'000	$'000
US Dollars - Letters of credit	9,252	8,735
Net US Dollar exposure	**9,252**	**8,735**

Exchange rates

	2023	2022
Naira per unit of foreign currency:	₦	₦
US Dollar	899.89	654.14

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

	2023	2023	2022	2022
	N'000	N'000	N'000	N'000
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2022: 10%)	(832,592)	(832,592)	(571,391)	(571,391)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not carry debt at fair value neither does it have any floating rate exposure.

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

	2023	2022
	N'000	N'000
Fixed rate instruments:		
Overdraft	781,784	290,004
Commercial paper	10,000,000	3,000,000
Borrowings	17,773,893	11,544,852
Total borrowings	28,555,677	14,834,856

Notes to the financial statements

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

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

	2023	2023	2022	2022
	N'000	N'000	N'000	N'000
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Total borrowings 5% (2022: 5%)	(208,615)	(208,615)	(108,369)	(108,369)

40.0 Financial instruments risk management objectives and policies

Equity price risk
This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fidson Healthcare Plc has a price risk in relation to its available for sale investments. This is because the investments are traded in an active market and are subject to price fluctuation. The company manages the equity price risk by placing limits on individual an. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was N7,730,000 (2022: N4,800,000). A reduction of 5% on the Nigerian Stock Exchange could have an impact of approximately -N386,500 (2022: N230,000) on the income or equity attributable to the Company, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity but would not have an effect on the profit or loss.

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

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting year represented below is the worst-case scenario of credit risk exposure

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

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit sales limits are established for each customer and are reviewed.

Notes to the financial statements

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

Trade receivables (cont'd)

regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The company has pledged no trade receivables during the year. The Company reviews amounts due in respect of other receivables on a periodic basis taking into consideration factors such as continued employment relationship. All employee advances are recovered through payroll deductions and there has been no history of default. Accordingly management considers employee advances as recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

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

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

The increase in loss allowance is mainly attributable to the increase in the gross carrying amounts of trade receivables that are aged above 120 days. The methodology for the calculation of ECL is the same as described in the last annual financial.

Cash and cash equivalents

The Company held cash and cash equivalents of ₦10.78 billion at 31 December 2023 (2022: ₦ 2.11 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment Nil in current year (2022; Nil) was immaterial. The assessment is based on various bank ratings.

		2023			2022		
	Note(s)	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost/ fair value N'000	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost/ fair value N'000
Trade receivables	21	5,693,528	364,000	5,329,528	3,974,730	136,219	3,838,511
Cash and bank balances	23	10,786,643	-	10,786,643	2,115,136	-	2,115,136
		16,480,171	**364,000**	**16,116,171**	**6,089,866**	**136,219**	**5,953,647**

Notes to the financial statements

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

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions as well as deposit with ALM Trustees is managed by the Company's treasury department in accordance with the Company's policy. The company limits its exposure for default by keeping cash with banks with good solvency margin. Maximum exposure to credit risk at the reporting date is the carrying value of the financial asset disclosed in Note 24. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counter party's potential failure to make payment.

Balances with banks and financial institutions
Credit risk from balances with banks and financial institutions is managed by the Managing Director in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The policies are set and reviewed by the Board annually.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to pay its obligations when they fall due. The company monitors its risk to a shortage of funds using a recurring liquidity planning and continuous budget tool. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Board of Directors defines the Company's liquidity policy annually.

Notes to the financial statements

40a Fair values

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

At 31 December 2023	Contractual Undiscounted Cash flows ₦'000	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	Carrying value ₦'000
Interest bearing loans & borrowing (non-current)	6,658,731				6,110,810	6,110,810
Trade payables	5,544,081	5,544,081				5,544,081
Bank overdraft	781,784		781,784			781,784
Other financial liabilities						
Interest bearing loans and borrowing (current)	6,397,604			11,663,083		11,663,083
Lease Liabilities	-			-	-	-
	19,382,200	5,544,081	781,784	11,663,083	6,110,810	24,099,758

At 31 December 2022	Contractual undiscounted cash flows ₦'000	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	Carrying value ₦'000
Interest bearing loans & borrowing (non-current)	6,252,226	-	-	-	5,746,439	5,746,439
Trade payables	3,849,769	3,849,769	-	-	-	3,849,769
Bank overdraft	290,004	-	290,004	-	-	290,004
Other financial liabilities	-	-	-	-	-	-
Interest bearing loans and borrowing (current)	6,283,876	-	-	5,798,413	-	5,798,413
Lease Liabilities	63,590	-	-	55,581	-	55,581
	16,739,465	3,849,769	290,004	5,853,994	5,746,439	15,740,206

	Carrying values		Fair Values	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
	N'000	N'000	N'000	N'000
Financial assets				
Loans and other receivables	8,237,203	9,697,672	8,237,203	9,697,672
Trade receivables	5,693,528	3,974,730	5,693,528	3,974,730
Cash and bank	10,786,643	2,115,136	10,786,643	2,115,136
Available for sale	7,730	4,800	7,730	4,800
Other non-current financial asset	184,432	174,542	184,432	174,542
Total	24,909,536	15,966,880	24,909,536	15,966,880
Financial liabilities				
Interest-bearing loans and borrowings	6,658,731	5,746,439	4,134,548	2,918,518
Short-term borrowing	6,397,604	5,798,413	6,397,604	5,798,413
Bank Overdraft	781,784	290,004	781,784	290,004
Lease Liabilities	-	55,581	-	63,590
Trade and other payables	9,076,011	7,015,724	9,076,011	7,015,724
Total	22,914,130	18,906,161	20,389,947	16,086,249

40a Determination of fair value and fair value hierarchy

As at 31 December 2023 the Company held some financial instruments carried at fair value on the statement of financial position. The company uses the following hierarchy for determining and disclosing the fair value of non-financial assets by valuation technique:

Level 1: quote prices in active markets for identical assets or liabilities
Level2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The company has investment in listed equity securities. The fair value of the quoted equity shares is determined by reference to published price quotations in an active market.

Notes to the financial statements

40a Determination of fair value and fair value hierarchy (cont'd)

Valuation Date of Assets measured at fair value:	**Level 1 ₦'000**	**Level2 ₦'000**	**Level3 ₦'000**
Financial assets: (Note 18)			
31-Dec-23	7,730		
31-Dec-22	4,800		
Assets for which fair values have been disclosed:			
31-Dec-23			-
31-Dec-22			-
Interest bearing loans and borrowings- Noncurrent (Note 41a)			
31-Dec-23		6,110,810	
31-Dec-22		5,746,439	
Interest bearing loans-current (Note 41a)			
31-Dec-23		11,663,085	
31-Dec-22		5,798,413	
Lease liability(Note 25)			
31-Dec-23		-	
31-Dec-22		150,940	

There have been no transfers between Level 1, Level2 and Level 3 during the period Interest bearing loan and borrowings are evaluated by the Company based on parameters such as interest rates that reflects market risk characteristics at the measurement date.

The fair value of the loans and borrowing are determined based on DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

41 Capital management

Capital includes issued share capital, share premium, retained earnings and other reserves in the statement of financial position. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios to support its business and maximize shareholder value.
The company manages its capital structure and makes adjustments to it considering changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2023 and year ended 31 December 2022.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 45% and 60%. The company includes within net debt interest bearing loans and borrowings, trade and other payables, and cash and short-term deposits.

Notes to the financial statements

41.0 Capital management (cont'd)

	Dec-23	Dec-22
	₦'000	₦'000
Interest bearing loans and borrowings (Note 24)	17,773,893	11,544,852
Trade and other payables (Note 29)	9,076,011	7,015,730
Overdraft (Note 24)	781,784	290,004
Less: Cash and bank balances	(10,786,643)	(2,115,136)
Net debt	16,845,045	16,735,450
Capital - Equity	19,293,728	16,919,279
Capital and net debt	36,138,773	33,654,729
Gearing Ratio	47%	50%

42.0 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

The following reflects the income and share data used in the basic earnings per share computations:

Basic	Dec-23	Dec-22
	₦'000	₦'000
Net profit attributable to ordinary shareholders	3,607,593	4,187,158
Weighted average number of ordinary shares	2,294,996	2,294,996
Basic / (Loss) earnings per ordinary share (In Kobo)	157	182

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

43.0 Events after the reporting period

There are no events or transactions that have occurred since the reporting date which would have a material effect on these financial statements, or which would need to be disclosed in the financial statements.

Statement of value added.

	2023 ₦'000	%	2022 ₦'000	%
Revenue	53,050,354		40,634,143	
Other operating income	497,066		863,335	
Finance income	23,008		65,423	
Bought in goods and services				
- Imported	(18,632,435)		(13,282,094)	
- Local	(21,154,212)		(16,233,668)	
Value added	13,783,781		**12,047,139**	
Applied as follows:				
To employees:				
Salaries and other benefits	4,497,767	33	3,507,135	29
To Government:				
Income tax	839,094	6	1,391,588	12
To pay providers of capital:				
Bank interest	2,101,868	15	1,772,656	15
To provide for replacement of assets and expansion of business:				
- Depreciation and amortization	1,266,737	9	985,875	8
- Deferred taxation	1,470,722	11	202,727	2
Retained profit/(loss)	3,607,593	26	4,187,158	34
	13,783,781	100	12,047,139	100

The value added represents the wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, providers of finance, government and that retained for the future creation of more wealth.

Five-year financial summary

	2023	2022	2021	2020	2019
Non-current assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Property, plant and equipment	22,672,162	19,565,588	14,892,994	13,387,810	11,996,884
Right of use Assets	315,050	380,817	486,271	595,194	703,182
Investment property	-	-	31,823	32,742	33,586
Intangible assets	25,577	23,544	21,722	23,530	27,736
Loans and other receivables	501,193	14,692	14,027	12,871	10,172
Available for sale	7,730	4,800	5,030	4,960	3,720
Other non-current financial assets	184,432	174,542	173,162	171,683	441,337
Net current assets	5,431,400	4,806,573	6,508,720	3,464,889	1,030,140
	29,137,544	24,970,556	22,133,749	17,693,679	14,246,757
Non-current liabilities					
Interest bearing loans and borrowings –	(6,110,810)	(5,746,439)	(6,210,729)	(4,050,683)	(2,695,082)
Obligation under finance lease	-	-	(63,590)	(164,459)	(313,409)
Staff retirement benefits	(252,158)	(263,602)	(268,185)	(447,792)	(278,534)
Government grant	(608,963)	(651,292)	(660,764)	(938,248)	(245,975)
Deferred revenue	-	-	(1,583)	(4,751)	(7,916)
Deferred taxation	(2,871,885)	(1,389,945)	(1,177,063)	(1,548,311)	(1,085,533)
	19,293,728	16,919,278	13,751,835	10,539,435	9,620,308
Financed by:					
Share capital	1,147,498	1,147,498	1,043,180	1,043,180	1,043,180
Share Premium	4,829,614	4,829,614	4,933,932	4,933,932	4,933,932
Retained earnings	13,313,331	10,941,811	7,774,138	4,561,808	3,643,921
Available for sale reserve	3,285	355	585	515	(725)
	19,293,728	16,919,278	13,751,835	10,539,435	9,620,308
Revenue	53,050,354	40,634,143	30,860,817	18,275,856	14,062,015
Profit before taxation	5,917,409	5,781,473	4,717,644	1,772,211	575,666
Profit for the year	3,607,593	4,187,158	3,719,913	1,205,039	407,188
Dividend	1,376,998	1,262,248	1,043,180	521,591	312,939
Per Share Data					
Earnings per share (kobo)	157	182	178	58	20
Dividend per share (kobo)	60	55	50	25	15
Net assets per share (kobo)	841	737	659	505	462