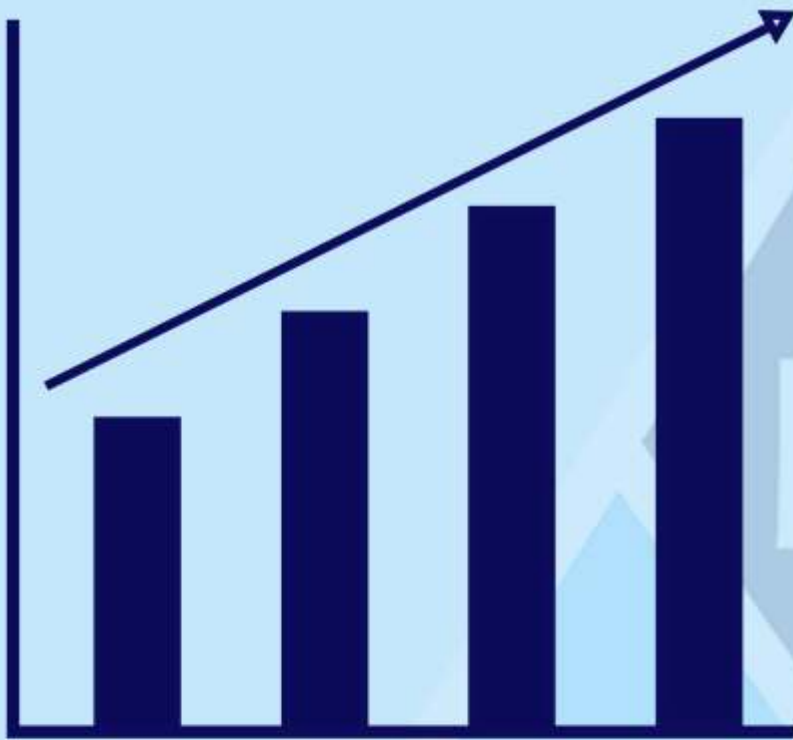




# ANNUAL REPORTS & ACCOUNTS

## 2023



**PHARMACEUTICALS . BEVERAGES**



**MAY & BAKER NIGERIA PLC**



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- Training For GMP (Good Manufacturing Practice)
- Laboratory Analysis
- Stability Testing



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Website: <http://www.may-baker.com>; [info@may-baker.com](mailto:info@may-baker.com).



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## About May & Baker Nigeria Plc.

**M**ay & Baker Nigeria Plc is a leading pharmaceutical manufacturer founded on September 4, 1944, the first to be established in Nigeria. The company which started as a trading outpost to serve the West Coast of Africa began local manufacturing of pharmaceuticals in 1976 and became a publicly quoted company following its listing by introduction on the Nigerian Stock Exchange on November 10, 1994 where it has won the coveted award of Sectoral Leadership of the Healthcare sector six times.

When the foreign partners decided to divest in 2002, May & Baker Nigeria Plc became a wholly Nigerian company but retaining technical partnership with leading pharmaceutical manufacturers worldwide. These relationships gave her room to explore new investments and product development opportunities including the research, formulation and development of new products.

The company thereby began an aggressive expansion and diversification program which started with the introduction of Lily Table water in 2002. The company also invested in setting up an Anti-Retroviral (ARV) plant to produce drugs for HIV/AIDS. The plant began production in 2006 and is the first local manufacturing facility for ARV drugs. May & Baker has many registered ARV brands a couple of which have been presented and undergoing pre-qualification by the World Health Organization (WHO).

In June, 2011 May & Baker commissioned its WHO standard pharmaceutical production facility which was certified by the WHO for good manufacturing practice in 2014 (cGMP) and is currently undergoing re-certification, while specific products from the plant are being presented for WHO pre-qualification.

In 2005 May & Baker began the process of establishing West and Central Africa's first private multiple vaccines production company by going into a partnership with the Federal Government of Nigeria with May & Baker holding fifty-one percent stake. The vaccines joint venture company – Biovaccines Nigeria limited is geared towards making Nigeria self-sufficient in the making of basic human vaccines contained in the National Immunization Program while

also aiming to earn foreign exchange through the export of its products to other African Countries.

### Our Tradition

As Nigeria's first pharmaceutical company May & Baker has for over seven decades, remained a key player in the nation's healthcare industry. Generations of Nigerians have come to rely on the company for health support. The company's reputation for quality is legendary. This has been crucial in cementing partnerships with her long standing customers as well as winning new ones. Every May & Baker product picked off from the shelf has a guarantee and stamp of quality that has been the hallmark of the company in Nigeria.

This is because May & Baker has a rigorous quality assurance procedure that starts with ensuring that the right quality raw materials from suppliers are received, to continuous checking, testing and re-testing at each stage of manufacturing, employing the highest standard of current Good Manufacturing Practice (cGMP) procedures. May & Baker's quality policy is in compliance and conformity with ISO Quality management System standards and has been awarded the NIS ISO 9001:2015 by the Standards Organisation of Nigeria.

### Records and Hall of Fame

Over the years, May & Baker has continued to improve its year-end financial performance. It is one of the top performing stocks on the Nigerian Stock Exchange and is considered an investors delight.

The factors that encouraged investors in May & Baker's stocks include very strong fundamentals of the Company such as consistency in profit making, attractive projections for growth and good corporate brand name. There are also reasons of sound corporate governance practices and trusted management.

The company joined the Nigerian Stock Exchange in 1994 and in 1996, it was awarded the prestigious Nigerian Stock Exchange Annual president's Merit Award in the Healthcare/Chemicals and Paints category and in 1997, carted home the same prize in the Healthcare/Pharmaceuticals category. It has since then, won the award several times.



**About May & Baker Nigeria Plc.(contd.)**

May & Baker introduced the Professional Service Award in Pharmacy in 2005, to reward hard work and excellence in the practice of the pharmacy in Nigeria. The award remains the first of its type in the pharmacy practice in Nigeria.

In 2007, May & Baker won the Lagos State Excellence Award for Occupational Health and Safety and the Federal Ministry of Health/National Council on Health Special Recognition and Excellence Award for contributions to Pharmaceutical Industry in Nigeria. In Organization for Standardization (ISO) Quality Management Certificate, in recognition of the conformity of her management system to best international standards. This was further upgraded in 2017 to NIS ISO 9001-2015. The company has won several other awards including the PMG-MAN awards for the attainment of top 100 most respected companies in Nigeria. In 2018, May & Baker also won the highly coveted National Productivity Order of Merit award.

In 2017, the company adopted a new vision statement “To be a Leading Healthcare Brand in Sub-Sahara Africa”. This vision is premised on a very ambitious but ordered quantum leap which removes all forms of restriction on growth and investments. It is a vision that allows the company to invest in all areas of human life that promotes its mission “To Improve the Quality of Life, Throughout Life, For all Lives”. With this, May & Baker can explore investment opportunities in various aspects of the healthcare space of the economy.

Other notable awards won by the company include: \_

- Business Day/Nigeria Investors Value Award
  - Most profitable company – Healthcare Sector – 2021
- Lagos State Government - Ministry of Environmental and Water Recourses
  - Lagos Green Award - 2022
- Lagos State Medicine Dealers Award
  - Product Efficiency Award - 2023
- Nigerian Association of Patent and Proprietary Medicine
  - Dealers Outstanding Product quality Award - 2023
- African Brands CEOS' Award
  - Pharmaceutical Brand CEO of the Year - 2023
- 

Currently, the company is seeking expansion both in products and in markets of Sub Saharan Africa by way of strategic alliances.

## **Corporate Profile**

May & Baker consciously and voluntarily makes the commitment to contribute to a better society and a cleaner environment. This requires that the Company integrates social and environmental concerns into its business operations.

The Management acts with integrity in all of its business dealings and pays due regard to the legitimate interests of all the Company's stakeholders. Our technical expertise and employee dedication are catalysts for our leadership, and Ethical conduct is the foundation of our business principles and Company culture.

The Company also endeavours to meet the expectation of Clients, the Public and Shareholders, Stakeholders and Regulatory Institutions. May & Baker Nigeria Plc has, over time consistently, delivered on client's needs to the highest quality standards. The commitment to comprehensive Corporate Governance and Social Responsibility will continue to facilitate the achievement of that purpose. It is the Company's intention to remain a leader in the industry.

Our innovative progress is reflected in the development of the subsidiaries, contract manufacture arrangements with other companies and organisations, forward looking values, growth and expansion into a group of interdependent companies, working both together and in parallel to deliver excellence. Our shared values give us the necessary foundation for future evolution and brand integration across all companies within the May & Baker Group. The Company achieved a World Health Organisation (WHO) Certification in year 2015 and is currently undergoing the processes for recertification.

### **CORPORATE SOCIAL RESPONSIBILITY**

MAY & BAKER maintained a very excellent robust and versatile Corporate Social Responsibility (CSR) culture throughout the year. We are mindful of, and feel a sense of responsibility towards our staff, as well as the society and environment in Nigeria. We continually take into account the sustainable impact of our actions and actively seek out opportunities to add value to the environment in which we operate. At May & Baker, CSR is a corporate attitude engrained in every aspect of business. Our interventions to make a difference were particularly visible in areas of education and health.

Details of donations made during the year can be found in Note 14 on page 21.

Our CSR efforts also include the training of workers and building of capacity of local suppliers, distributors and cultivating lifetime skill and knowledge. Additionally, we endeavour to create more environmentally friendly and safe workplaces.



## Corporate Information

<b>BOARD OF DIRECTORS:</b>	<p>Senator D. E. Danjuma</p> <p>Mr. P.O. Ajah</p> <p>Dr. E. Abebe</p> <p>Chief S.M. Onyishi (MON)</p> <p>Mr. V.C. Okelu</p> <p>Mr. K.O. Durojaiye HCIB, FCA</p> <p>Dr. (Mrs.) Rahila Ilegbodu</p> <p>Mr. A.S. Aboderin</p> <p>Mrs G I Odumodu</p> <p>Mr. M.C. Odumodu</p>	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Executive - (MD/CEO)</li> <li>- Non-Executive</li> <li>- Non-Executive</li> <li>- Executive (Retired on 27 July 2023)</li> <li>- Non Executive</li> <li>- Independent Non-Executive</li> <li>- Executive - (CFO)</li> <li>- Non-Executive (Retired on 27 July 2023)</li> <li>- Independent Non-Executive (appointed on 27 July 2023)</li> </ul>
<b>SECRETARIES:</b>	Marina Nominees Limited 233 Ikorodu Road, Ilupeju, Lagos.	
<b>REGISTRATION NO.:</b>	558	
<b>REGISTERED OFFICE:</b>	3/5 Sapara Street, Ikeja.	
<b>REGISTRAR:</b>	Veritas Registrars Limited Plot 89A Ajose Adeogun Street, Victoria Island Extension, Lagos.	
<b>AUDITORS:</b>	Grant Thornton Nigeria 2A Ogalade Close, Off Ologun Agbaje Street, Off Adeola Odeku Street, Victoria Island, Lagos	
<b>SOLICITORS:</b>	Nnenna Ejekam & Associates	
<b>BANKERS:</b>	Bank of Industry First City Monument Bank Limited Fidelity Bank Plc First Bank of Nigeria Limited Guaranty Trust Bank Limited Zenith Bank Plc Access Bank Sterling Bank Limited Providus Bank	

**Results at a Glance**

**MAY & BAKER NIGERIA PLC**  
**RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

The Directors of May & Baker Nigeria Plc. have the pleasure of announcing the group trading results for the year ended 31st December 2023 with comparative figures for the previous year as follows:

	<b>Group 2023 ₦000</b>	<b>Group 2022 ₦000</b>	<b>% Change</b>
<b>Revenue</b>	19,695,464	14,328,266	0.37
Profit before tax	1,519,536	2,084,252	-0.27
Taxation	(436,517)	(593,642)	-0.26
Profit after tax (Continuing Operations)	1,083,019	1,490,610	-0.27
Profit after tax is (discontinued Operations)	-	-	-
<b>Other comprehensive Income:</b>			
Gain on revaluation of the asset(Net Asset)	—	—	—
<b>Total Comprehensive Income</b>	<b><u>1,083,019</u></b>	<b><u>1,490,610</u></b>	<b><u>-0.27</u></b>
 Retained earnings	 4,506,915	 3,941,466	 0.14
<b>Total earnings per share (EPS) (kobo):</b>			
EPS discontinued Operations	-	-	
EPS Continued Operations	62.78	86.40	-0.27
Net Assets per share (kobo)	509	477	0.067
Stock Exchange price as of 31 December	5.50	4.02	0.37
Authorized share capital	862,617	862,617	-
Issued share capital	862,617	862,617	-
Number of employees	364	352	0.03

The Financial Statements were prepared in accordance with the International Financial Reporting Standards IFRS



## Chairman's Statement

Valued fellow Shareholders,  
Distinguished members of the Board,  
Ladies and Gentlemen,

It is my pleasure once again to welcome you to the 73<sup>rd</sup> annual general meeting (AGM) of our great company and I am pleased once more to lay before you the Annual Report and Accounts for the year ended 31<sup>st</sup> December 2023.

We thank God for His mercies and for keeping us all through the year till today to gather again publicly as shareholders of our great company.

### The Operating Environment

The year under review was a tough and difficult one for businesses in the country and not much brighter for the global economy at large. There was significantly higher inflation rates in major global economies. USD interest rates went higher, thus exerting upward pressure on interest rates globally. Economic growth rate was slower than normal across most economies except China where growth was also moderated by property slump. Geopolitical tensions continued across regions – Russia/Ukraine and Israel/Palestine, while Crude oil prices remained fairly high. There was a looming threat of the planned alternative international trade currency by the BRICS Nations.

On the home front real GDP growth (%) dropped from 3.10% in 2022 to 2.45% in 2023 with GDP per capital (\$) moving from \$2,187 to \$1,679. Inflation at year end moved from 18.8% in 2022 to 23.7% in 2023. Gross external reserves (\$bn) dropped from \$37.1bn to \$32.9bn. Also during the year businesses were hit by cash crunch from Naira redesign; fuel subsidy removal; and exchange rate depreciation by the floatation of the Naira. All these were reforms by the government which were strong headwinds for businesses and consumers alike.

The “Japa” syndrome (migration of skilled workers to greener pasture abroad) continued unabated and during the year even corporates also joined the bandwagon exiting the country. A good number of multinationals announced their decision to close their operations in Nigeria due to huge losses arising from foreign exchange exposures. At least three major pharmaceutical companies closed business operations in Nigeria while many small local players also closed shop. Four major pharmaceutical firms suffered a total foreign exchange loss of ₦8bn in 2023 and our



company was not exempted.

The total loss by corporates due to foreign exchange losses runs into trillions, looking across all industries, with some even recording erosion of shareholders' funds. Coupled with this is the impact of fuel subsidy removal, power costs for factory operations have increased by over 500% across industries on account of higher diesel and gas prices.

### Our result

In the midst of all these and in spite of the tough challenges facing businesses, I am happy to announce to you that our company kept its head above the waters and still turned in a fairly good performance. Our group revenue grew by 37% from ₦14.3bn in 2022 to ₦19.7bn in 2023. Gross profit grew by 70% from ₦3.9bn in 2022 to ₦6.8bn in 2023. Other operating income dropped significantly from ₦1.6bn in 2022 to ₦62.2m in 2023, you will recall that 2022 was boosted by gains of ₦1.2bn made from sale of asset.

Distribution, selling and marketing expenses grew by 19% from ₦2.1bn in 2022 to ₦2.6bn in 2023 to drive revenue. Administrative expenses grew by a whopping 119% from ₦1.2bn in 2022 to ₦2.7bn in 2023, it's important to note that ₦1.1bn out of this is coming from foreign exchange losses due to the depreciation in the value of the Naira versus the dollar. Financial cost was flat year on year moving from ₦286m in 2022 to ₦290m in

## Chairman's Statement(contd.)

2023 while finance income grew by 66% from ₦231m in 2022 to ₦384m in 2023. It is heartwarming to note that Biovaccines Nigeria Limited – our joint venture business with the Federal Government of Nigeria contributed ₦57m as our share of their profit – they started commercial operations in 2023 and made a marginal profit, largely from tax credit recoupable from past losses.

The group achieved a profit before tax (PBT) of ₦1.5bn, down by 27% from the previous year figure of ₦2.1bn in 2022; this drop in profit is majorly coming from the impact of the foreign exchange loss incurred in the year. Tax for the year dropped by 27% to ₦436.5m in 2023 from ₦593.6m in 2022. This brought our net profit after tax to ₦1.1bn, down 27% from ₦1.5bn in 2022 while earnings per share recorded the same drop of 27% from 86kobo/share in 2022 to 63 kobo/share in 2023.

### Dividends

It is my pleasure to inform you that in view of the relatively strong performance of our company, the directors have recommended a dividend of 30 kobo for every 50 kobo share held in the company representing a total dividend payout of ₦517,570,465.80K subject to the applicable tax. This will apply to every shareholder whose name appears in the register of members as at the close of business on 21<sup>st</sup> May 2024.

### Biovaccines Nigeria Limited

As noted above, our Joint Venture business with the Federal Government of Nigeria commenced commercial operations during the year with the importation of a small quantity of vaccines order from the National Primary Healthcare Development Agency. We hope this will continue until the construction of its own local manufacturing facility and subsequent local production of required vaccines.

### Osworth Nigeria Limited

Our operating Subsidiary – Osworth Nigeria Limited delivered a revenue of ₦1.4bn, a 62% growth over its revenue of 892m in 2022. It also contributed a profit after tax of ₦159m, a 287% growth over 2022 figure of ₦40m.

### Future Outlook

Distinguished shareholders, you will be pleased to know that the company continues to invest more in expanding its production capacity in the Pharma Centre at Ota. Also, our water business – Lily table

water is now fully produced at our remodeled water bottling plant in our Ota factory which used to be the old foods plant for our noodles business which we divested from in 2018.

Our company will mark its 80 years anniversary of existence in Nigeria by September this year. It is boldly marching on as it continues in its tradition of delivering quality medicines to the Nigerian populace and beyond with the launch and introduction of seven new products into the market this year.

Indeed the short and mid-term future looks very bright despite the harsh economic environment and we shall continue to support and encourage the management to lead the company to greater heights and to take its rightful position in our market and region.

Finally, I wish to use this opportunity to thank the staff and management for their continued dedication and contributions to the growth of our great company.

I equally thank our Board of Directors and all shareholders for your support.

God bless May & Baker Nigeria Plc and God bless Nigeria.



Senator Daisy Danjuma  
Chairman, Board of Directors

## **Notice of Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the seventy-third Annual General Meeting of the Company will be held at the Muson Centre, Onikan, Lagos on Thursday, 6<sup>th</sup> June, 2024 at 11.00 a.m. for the following purposes:-

**ORDINARY BUSINESS**

1. To lay before the meeting the financial statements for the year ended 31<sup>st</sup> December, 2023 and the reports of the Directors, Auditors and the Audit Committee thereon.
2. To disclose the remuneration of Managers.
3. To declare a dividend.
4. To elect and re-elect Directors.  
*Special notice has been received by the Company that it is intended at the meeting to propose the following resolution as an ordinary resolution namely:*

*“That Senator D. Danjuma be re-elected a Director of the Company pursuant to Section 282 of the Companies and Allied Matters Act, 2020 notwithstanding that she attained the age of seventy (70) years on 6<sup>th</sup> August, 2022.”*

5. To appoint External Auditors and authorise the Directors to fix their remuneration.  
*Special notice is hereby given in accordance with Section 411(a) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004 (CAMA) that it is intended at the meeting to propose the following resolution:*  
*“That Messrs. Grant Thornton Nigeria be and are hereby appointed as External Auditors of the Company.”*
6. To elect members of the Audit Committee.

**SPECIAL BUSINESS**

1. To consider and if thought fit to pass the following resolution which will be proposed as an ordinary resolution:

**REMUNERATION OF DIRECTORS**

*“That the remuneration of the Directors of the Company for the year ending 31<sup>st</sup> December, 2024 in the sum of N1,250,000 for each Non-Executive Director, save the Chairman whose remuneration shall be N1,500,000, be approved”.*

**BY ORDER OF THE BOARD**



**Adetoun O. Abiru (Mrs.)**  
**FRC/2013/PRO/ICSAN/002/00000003280**  
**for: MARINA NOMINEES LIMITED**  
**SECRETARIES**  
**LAGOS**  
**28<sup>th</sup> March, 2024**

## **Notice of Annual General Meeting(contd.)**

### **ELECTRONIC INFORMATION**

Relevant documents in connection with the Meeting are available to all shareholders on the Company's website, [www.may-baker.com](http://www.may-baker.com)

### **PROXY**

Every member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in their stead. A proxy form is provided with this Annual Report and Financial Statements (AR & FS). To be valid for the purpose of the Meeting, the form must be completed and deposited at the office of the Registrars, Veritas Registrars Limited, Plot 89 Ajoye Adeogun Street, Victoria Island Extension, Lagos not later than 48 hours before the time for holding the meeting. Copies can be downloaded from either [www.may-baker.com](http://www.may-baker.com) or [www.veritasregistrars.com](http://www.veritasregistrars.com). Shareholders can also send soft copies of their duly executed proxy form via email to [veritasregistrars@veritasregistrar.com](mailto:veritasregistrars@veritasregistrar.com). A proxy need not be a member of the Company.

Each duly completed proxy form shall be counted as one and every member, present in person or by proxy shall have one vote. A proxy remains valid provided that no information in writing of death, insanity, revocation or transfer shall have been received by the Company at the registered office or office of the registrars before the commencement of the meeting or adjourned meeting at which the proxy is used. Any objection to a proxy shall be made in due time and shall be referred to the Chairman of the meeting whose decisions shall be final and conclusive.

### **E-DIVIDEND**

All shareholders are encouraged to download the e-dividend mandate form from the Registrars website, execute same with their banks and send to the Registrars to update their records for automatic posting of dividends.

### **DIVIDEND PAYMENT**

If the dividend recommended by the Directors is approved by the members, the dividend warrants will be paid on Thursday, 6<sup>th</sup> June, 2024, to the shareholders whose names appear in the Register of Members at the close of business on Tuesday 21<sup>st</sup> May, 2024.

### **UNCLAIMED DIVIDEND**

All shareholders with "Unclaimed Dividends" should address their claims to the Registrars, Veritas Registrars Limited, Plot 89A Ajoye Adeogun Street, Victoria Island, Lagos. Due to volume involved, the list of all unclaimed dividends is hosted on our website [www.may-baker.com](http://www.may-baker.com) and also on the Registrars website [www.veritasregistrars.com](http://www.veritasregistrars.com) for affected shareholders to access. All shareholders are encouraged to download the e-dividend mandate form from the Registrars' website, execute same with their banks and send to the Registrars to update their records for automatic posting of dividends.



## **Notice of Annual General Meeting(contd.)**

### **SPECIAL NOTICE**

Messrs. PKF Professional Services had indicated that in keeping with the best governance practice indicated in Nigeria Code of Corporate Governance, 2018 and the Audit Regulations 2020 both issued by the Financial Reporting Council of Nigeria, it would not seek re-appointment as External Auditors of the Company having spent 10 years continuously as the External Auditors of the Company.

Special notice is given pursuant to Section 411(a) of CAMA in respect of the appointment of Messrs. Grant Thornton Nigeria as the External Auditors of the Company.

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

The Register of Members and Transfer Books will be closed from Wednesday 22<sup>nd</sup> to Friday 24<sup>th</sup> May, 2024 both days inclusive for the purpose of dividend.

### **AUDIT COMMITTEE**

In accordance with Section 404(6) of CAMA 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing to the Company Secretaries at least 21 days before the Annual General Meeting.

Nominees to the Statutory audit Committee must be compliant with the laws, codes, rules and regulations guiding listed companies in Nigeria.

### **RIGHT TO ASK QUESTIONS**

Members have a right to ask questions in writing prior to the meeting on their observations or concerns arising from the AR and FS 2021 provided that such questions in writing are submitted to the Company on or before Friday, 31<sup>st</sup> May, 2024. For ease of submission, a dedicated email address: [financials@may-baker.com](mailto:financials@may-baker.com) has been created.

### **DISCLOSURE REQUIREMENT**

CAMA has introduced “Disclosure of Remuneration of Managers” to the ordinary business of the Annual General Meeting.

The Corporate Guidelines 2021 (Guidelines) issued by the CAC has defined a Manager in relation to disclosure of remuneration at the Annual General Meeting to include any person by whatever name called occupying a position in senior management and who is vested with significant autonomy, discretion and authority in the administration and management of the affairs of a Company (whether in whole or in part). The remuneration of Managers as defined in the Guidelines is stated on page 105 of the Annual Report.

### **LIVE STREAMING OF THE AGM**

The AGM will be streamed live online to enable shareholders and other relevant stakeholders who will not be attending the meeting physically to also be part of the proceedings. The link for live streaming will be made available on the Company's website [www.may-baker.com](http://www.may-baker.com) a day before the meeting.

## Report on Corporate Governance

In line with best practices, May & Baker Nigeria Plc has embraced the tenets of good corporate governance which are reflected in its practices, processes and structures.

May & Baker Nigeria Plc is committed to the principles contained in the Code of Corporate Governance as issued by the Securities and Exchange Commission (SEC), Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria (FRCN) and to the regulations of the Companies and Allied Matters Act, 2020 (CAMA 2020), the requirements of industry regulators, provisions of its Memorandum and Articles of Association and all other applicable National and Local laws. To further protect and promote stakeholders' interests, the Board of Directors has implemented a viable compliance system.

May & Baker Nigeria Plc's business principles are valid throughout the Company and serve as guidelines in the adherence to uncompromising standards of business ethics and integrity. The core values of the Company are (amongst others): ethical and lawful conduct of business; accountability, honesty and fairness, trust and mutual respect, respect of human rights in all aspects of business transactions; shareholder satisfaction and protection of shareholder's investment.

### The Board of Directors

#### Composition

The Board is comprised of a Non-Executive Chairman, the Managing Director/Chief Executive Officer, one Executive Director, three other Non-Executive Directors and two Independent Non-Executive Directors who are charged with the responsibility of ensuring the proper running of the Company. Profiles of the Directors are stated on pages 26 to 28 of this document

#### Roles and Responsibilities

- Sets the overall direction of the business.
- Designs and maintains good internal controls.
- Approves the Company's strategic plans.
- Approves the appropriation and distribution of profits.
- Approves top management's terms of employment.
- Monitors and takes decisions on major risks facing the Company.
- Reviews and considers matters reserved for the general board.

The Board met eight (8) times in the financial year ended 31st December, 2023 and details of the attendance of Directors are as follows:-

	27/1/23	23/3/23	27/4/23	1/6/23	27/7/23	28/9/23	27/10/23	30/11/23
Sen. D. Danjuma - Chairman	A	A	A	A	A	A	A	A
Mr. P. Ajah	A	A	A	A	A	A	A	A
Dr. E. Abebe	A	A	AB	A	A	A	A	A
Mr. A.S. Aboderin	A	A	A	A	A	A	A	A
Mrs. G.O. Odumodu	A	A	A	A	A	N/A	N/A	N/A
Mr. V.C. Okelu	A	A	A	A	A	N/A	N/A	N/A
Chief S.M. Onyishi	A	A	A	A	A	A	A	A
Mr. K.O. Durojaiye	A	A	A	A	A	A	A	A
Dr. (Mrs.) R. Ilegbodu	A	A	A	A	A	A	A	A
Mr. M.C. Odumodu	N/A	N/A	N/A	N/A	N/A	A	A	A

- *Mr. V.C. Okelu retired as an Executive director of the Company on 27<sup>th</sup> July, 2023.*
- *Mrs. G.I. Odumodu resigned as a Non-Executive Director of the Company 27<sup>th</sup> July, 2023.*
- *Mr. M.C. Odumodu was appointed as an Independent Non-Executive Director of the Company on 27<sup>th</sup> July, 2023.*

The Board reserves certain powers, duties and responsibilities and has delegated authority and responsibility for the day to day running of the Company to the Managing Director ably assisted by the Management team.

The roles of the Chairman and Managing Director are separate and clearly defined in line with global best practice.

## Report on Corporate Governance(contd.)

In discharging its oversight responsibilities, the Board makes use of various Committees. Each Committee is focused on a particular area of responsibility and provides informed feedback and advice to the Board. The activities of each Committee are guided by its stated Terms of Reference. The Committees report directly to the Board on their activities, issues, recommendations and decisions. The Statutory Audit Committee is further required to report to the Shareholders on its activities.

The following Committees have been established:-

### • Board Committees

- **Executive** – comprises of only Executive Directors and Senior Management officers. The Committee meets as often as necessary in order to take decisions on major matters as well as issues that border on labour and other matters that have to do with the day to day running of the business.
- **Statutory Audit** - is comprised of three (3) representatives of the Shareholders and two (2) Non-Executive Directors. The Committee was chaired by Mrs. C. Vincent-Uwalaka in the 2023 financial year. The Committee carries out its function in accordance with the provisions of Section 404(7) CAMA 2020.

The Statutory Audit Committee met six (6) times in the 2023 financial year for the review and consideration of the financial statements and other matters stated in Section 404(7) of CAMA 2020. The Committee met on the following dates:

	26/4/23	27/7/23	16/8/23	26/10/23	26/1/24	26/3/24
Mrs. C. Vincent-Uwalaka	A	A	A	A	A	A
Mr. O.B. Adeleke	A	A	A	A	A	A
Mrs. G.I. Odumodu	A	N/A	N/A	N/A	N/A	N/A
Chief S.M. Onyishi	X	A	A	A	A	A
Mr. K. Kalejaiye	X	A	A	A	A	A
Mr. K. Durojaiye	X	A	A	A	A	A

- **Nominations, Remuneration and Governance Committee:** is comprised of only Non-Executive Directors excluding the Chairman of the Company, in line with Section 11.1 of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC CCG) and Section 2.9 of the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN NCCG).

The Committee met five (5) times in the year ended 31<sup>st</sup> December, 2023 on the following dates:-

	20/3/23	30/3/23	30/5/23	25/9/23	27/11/23
Chief S.M. Onyishi	A	A	A	A	A
Dr. E. Abebe	A	A	A	A	A
Mrs. G.I. Odumodu	A	AB	A	N/A	N/A
Mr. K. Durojaiye	A	A	A	A	X
Dr. (Mrs.) R. Ilegbodu	A	A	A	A	A
Mr. M.C. Odumodu	N/A	N/A	N/A	X	A

- **Risk Management Committee** - is comprised of two Non-Executive Directors excluding the Chairman of the Company, the Independent Non-Executive Directors as well as two Executive Directors of the Company in line with Sections 2.9 and 11.5.2 of the FRCN NCCG respectively. However, one other Executive Director, the heads of Pharma Plant Operations, Pharma Sales & Marketing and the Internal Auditor were in attendance at the meetings of the Committee in accordance with Section 10.4 of the SEC CCG.

**Report on Corporate Governance(contd.)**

The Committee met four (4) times in the year ended 31st December, 2023 on the following dates:-

	22/3/23	31/5/23	27/9/23	28/11/23
Dr. E. Abebe	A	A	A	A
Mr. K.O. Durojaiye	A	A	A	A
Mr. P. Ajah	A	A	A	A
Mr. A.S. Aboderin	A	A	A	A
Dr. (Mrs.) R. Ilegbeodu	A	A	A	A
Mr. V.C. Okelu	A	A	N/A	N/A
Mr. G. Obiakor(Internal Auditor)	A	A	A	A
Mr. M.C. Odumodu	N/A	N/A	X	A

<b>Key:</b>	<b>A</b>	<b>=</b>	<b>Present</b>
	<b>R</b>	<b>=</b>	<b>Represented by an alternate</b>
	<b>AB</b>	<b>=</b>	<b>Absent</b>
	<b>N/A</b>	<b>=</b>	<b>Not a Director as at the date of the meeting</b>
	<b>X</b>	<b>=</b>	<b>Not a Member as at the date of the meeting</b>



## **Report on Corporate Governance (contd.)**

### ***Internal Control***

The Company employs reasonable and appropriate accounting policies in the preparation of its financial statements that ensures that a sound system of internal control that safeguards its assets and Shareholders' wealth is maintained. This is enhanced by the activities of the internal audit department whose function includes that of monitoring compliance with laid down company policies as well as verification of certain categories of invoices ahead of settlement.

### ***Code of Conduct***

The Company's operations are governed by a code of conduct which comprises the core values held as a bond with all stakeholders and these include INTEGRITY which ensures that the Company maintains the highest level of honesty and principles, and subscribe to the highest standard of ethical conduct, which is overall governed by FAITH IN GOD. The Company has several policies governing its activities, some of which are stated here under. These policies can be accessed and downloaded from the Company's website, <https://may-baker.com/corporate-governance/>

### ***Securities Trading Policy***

In line with Section 14 of the Nigerian Stock Exchange amended rules, the Company has developed a Securities Trading Policy which has been reviewed and approved by the Board. This policy provides guidance to all related parties on trading in the shares of the Company.

### ***Complaints Management Policy***

The Company has a Complaint Management Policy and Framework in place in accordance with Securities and Exchange Commission's directives on resolution of shareholders and investors complaints.

### ***Whistle Blowing Policy***

The Company has a Whistle Blowing Policy. This policy has been reviewed and approved by the Board and covers, among other things, the procedures for the receiving, retention and treatment of information from whistle blowers.

### ***Quality System Policy***

The Company is committed to the manufacture, distribution and delivery of quality healthcare products and services that constantly meet the needs of customers. It is also committed to the proper implementation, maintenance and continual improvement of processes according to the requirements of NIS ISO 9001: 2015 Quality Management System Standard.

### ***Infringement of Regulation***

The Group complied with all regulatory requirements of the Nigerian Stock Exchange, Securities and Exchange Commission and the Financial Reporting Council during the year and was not penalized or fined for any infringement.

**BY ORDER OF THE BOARD**



**ADETOUN ABIRU**  
FRC/2013/PRO/ICSAN/002/00000003280  
**for: MARINA NOMINEES LIMITED**  
**Secretaries**

**LAGOS, NIGERIA**  
**28<sup>th</sup> March, 2024**

**Report of the Directors for the year ended December 31st, 2023.**
**1. ACCOUNTS**

The Directors submit their report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> December, 2023.

**2. RESULT**
**2023**
**₦'000**

The group revenue for the year

19,695,464

The group profit for the year after taxation was

1,083,019

**3. LEGAL STATUS**

The Company commenced operations in Nigeria in 1944 after it was incorporated as a private limited liability company and was converted to a public company in 1979. The Company was listed on The Nigerian Stock Exchange on 10<sup>th</sup> November, 1994.

**4. PRINCIPAL ACTIVITIES**

The Company manufactures and distributes pharmaceutical products, diagnostic equipment, reagents, consumer products and human vaccines. The Company also engages as contract manufacturers for other companies and organisations. The Company has three subsidiaries, Osworth Nigeria Limited, Tydipacks Nigeria Limited and Servisure Nigeria Limited and has the majority shareholding in Biovaccines Nigeria Limited, a collaboration with the Federal Government for the supply of vaccines. The principal activities of the subsidiaries and the related company are as follows:-

Subsidiary	Principal Activities	Date of Incorporation	Percentage Holding
Tydipacks Nigeria Limited	Healthcare and Industrial Packaging	14 <sup>th</sup> Dec, 2009	100%
Osworth Nigeria Limited	Distribution and sales of personal care and pharmaceutical products	1 <sup>st</sup> Sept, 2008	100%
Servisure Nigeria Limited	Distribution and sales of pharmaceutical products	17 <sup>th</sup> Dec, 2009	100%

The financial results of all the subsidiaries have been consolidated in these financial statements.

**Related Company**

Biovaccines Nigeria Limited	Production and sales of vaccines	1 <sup>st</sup> Sept. 2005	51%
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## Report of the Directors for the year ended December 31st, 2023.(contd.)

### 5. **REVIEW OF BUSINESS DEVELOPMENT**

The Company has continued to review its corporate strategy towards ensuring that it is better positioned to take a leadership position in the regional healthcare space in the coming years in line with its mission statement of becoming the leading healthcare Company in Sub-Saharan Africa.

In the year under review, despite the challenging economic environment, the Group, in the opinion of the Directors performed satisfactorily and in accordance with planning.

Save as herein disclosed, no other events have occurred since the year ended 31<sup>st</sup> December, 2023 which would affect the Financial Statements.

### 6. **DIVIDEND**

The Directors have recommended a dividend of 30kobo per share amounting N517,570,465.80k (subject to applicable withholding tax) for the year (2022 - N517,570,465.80k).

### 7. **UNCLAIMED SHARE CERTIFICATES OR DIVIDENDS**

Shareholders who have either unclaimed share certificates or dividends should contact the Registrars, Veritas Registrars Limited, Plot 89 Ajose Adeogun Street, Victoria Island, Lagos.

### 8. **DIRECTORS AND DIRECTORS' INTERESTS**

The names of the Directors of the Company are listed on page 26 - 28

1. Mr. Michael Chineme Odumodu the Director appointed since the last Annual General Meeting retires at this meeting and being eligible, offers himself for election.
2. Biological Information on newly appointed Director, Mr. Michael Chineme Odumodu:
  - Age – 32 years
  - Nationality – Nigerian
  - BSc Economics – University of Kent, United Kingdom
  - MSc Economics and Strategy for Business – Imperial College Business School, United Kingdom.

In accordance with the Company's Articles of Association and section 285(2) of Companies and Allied Matters Act, 2020 (CAMA 2020), Senator D. Danjuma and Mr. K.O. Durojaiye retire by rotation and being eligible, offer themselves for re-election.

3. In compliance with Section 284(2) of CAMA 2020, the record of Directors' attendance at Board meetings is exhibited for inspection at this meeting.
4. Interests of the Directors in the shares of the Company are:

	28 <sup>th</sup> March 2024 Number	31 <sup>st</sup> December 2023 Number	31 <sup>st</sup> December 2022 Number
Senator D. Danjuma ( <i>INDIRECT</i> )	746,841,302	746,841,302	746,841,302
Mr. P.O. Ajah	NIL	NIL	NIL
Dr. E. Abebe	909,373	909,373	NIL
Chief S.M. Onyishi (MON)	257,264,668	257,264,668	257,264,668
Mr. K.O. Durojaiye HCIB, FCA	139,570	139,570	139,570
Dr. (Mrs.) Rahila Ilegbodu ( <i>INDIRECT</i> )	61,632,695	61,632,695	61,632,695
Mr. A.S. Aboderin	93,500	93,500	93,500
Mr. M.C. Odumodu ( <i>INDIRECT</i> )	57,752,156	57,752,156	57,752,156

**Report of the Directors for the year ended December 31st, 2023.(contd.)**

Indirect shareholders represented by Directors on the Board are as follows:

- Senator D. Danjuma representing: T.Y. Holdings Limited, Oil Tech Nigeria Limited and Osis Yukiv Limited.
- Dr. R. Ilegbodu representing: Maydav Multi Resources Limited
- Mr. M.C. Odumodu representing: Seravac Nigeria Limited.

For the purposes of sections 301, 302 and 303 of CAMA 2020 and in accordance with the listing requirement of the NSE some Directors gave notices of interest direct or indirect in some contracts or activities of the Group.

**9. SHARE CAPITAL AND SHARE HOLDING**

1. The Company did not purchase its own shares during the year.
2. The Share Capital of the Company is ₦862,617,443 divided into 1,725,234,886 ordinary shares of 50 kobo each.
3. The Share Capital of the Company has been fully issued to the tune of ₦862,617,443 divided into 1,725,234,886 ordinary shares of 50 kobo each.

**10. SUBSTANTIAL INTEREST IN SHARES**

List of shareholding of 5% and above (Section 95 of CAMA)

Director	Representing	28 <sup>th</sup> March, 2024		31 Dec. 2023		31 <sup>st</sup> Dec, 2022	
		No of Units	%	No of Units	%	No of Units	%
Senator Daisy Danjuma	>T.Y. Holdings Ltd.	720,878,543	41.78	720,878,543	41.78	720,878,543	41.78
	>Oil Tech Nig. Ltd.	14,874,759	0.86	14,874,759	0.86	14,874,759	0.86
	>Osis Yukiv Ltd.	11,088,000	0.64	11,088,000	0.64	11,088,000	0.64
Chief Samuel Onyishi (MON)	>Onyishi S.M.	257,264,668	14.91	257,264,668	14.91	257,264,668	14.91

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 31<sup>st</sup> December, 2023.

**11. FREE FLOAT**

The Free Float analysis of the issued and paid-up share capital of the Company as at 31<sup>st</sup> December, 2023 and 28<sup>th</sup> March, 2024 when the Financial Statements were approved, were as follows:

	No. of Ordinary Shares held as at 28 <sup>th</sup> March, 2024	% holding as at 28 <sup>th</sup> March, 2024	No. of Ordinary Shares held as at 31 <sup>st</sup> Dec., 2023	% holdings as at 31 <sup>st</sup> Dec., 2023
Strategic Shareholding	846,050,124	49.04	846,050,124	49.04
Directors' direct shareholding	294,665,905	17.08	294,665,905	17.08
Staff Schemes	NIL	NIL	NIL	NIL
Free Float	584,518,857	33.88	584,518,857	33.88
<b>TOTAL</b>	<b>1,725,234,886</b>	<b>100.00</b>	<b>1,725,234,886</b>	<b>100.00</b>



**Report of the Directors for the year ended December 31st, 2023.(contd.)**
**12. ACTIVE SHAREHOLDERS - SUMMARY** *Position As at : 31/12/2023*

<i>Range</i>	<i>No. of Holders</i>	<i>Holders %</i>	<i>Holders Cum.</i>	<i>Units</i>	<i>Units %</i>	<i>Units Cum.</i>
1 - 500	2,964	6.66%	2,964	648,266	0.04%	648,266
501 - 1,000	1,816	4.08%	4,780	1,439,514	0.08%	2,087,780
1,001 - 5,000	27,714	62.29%	32,494	62,750,847	3.64%	64,838,627
5,001 - 10,000	5,708	12.83%	38,202	36,563,614	2.12%	101,402,241
10,001 - 50,000	4,782	10.75%	42,984	96,192,151	5.58%	197,594,392
50,001 - 100,000	684	1.54%	43,668	48,975,648	2.84%	246,570,040
100,001 - 500,000	683	1.54%	44,351	138,591,270	8.03%	385,161,310
500,001 - 1,000,000	77	0.17%	44,428	56,555,368	3.28%	441,716,678
1,000,001 - 5,000,000	55	0.12%	44,483	101,958,720	5.91%	543,675,398
5,000,001 - 10,000,000	2	0.00%	44,485	14,112,925	0.82%	557,788,323
10,000,001 - 50,000,000	7	0.02%	44,492	125,868,372	7.30%	683,656,695
50,000,001 - 100,000,000	1	0.00%	44,493	54,134,958	3.14%	737,791,653
100,000,001 - 500,000,000	1	0.00%	44,494	266,564,690	15.45%	1,004,356,343
500,000,001 - 1,000,000,000	1	0.00%	44,495	720,878,543	41.78%	1,725,234,886
<b>Grand Total</b>	<b>44,495</b>	<b>100.00%</b>		<b>1,725,234,886</b>	<b>100.00%</b>	

**13. FIXED ASSETS**

Movements in fixed assets during the year are shown in Note 12 on pages 86 - 87. In the opinion of the Directors, the market values of the Company's properties are not less than the values shown in the financial statements.

**14. DONATIONS AND CSR INITIATIVES**

The Company was alive to its Corporate Social Responsibility during the year. Donations to charitable organizations during the year amounted to N9,242,057.72 (2022 – N6,379,422.09).

The details are:

<b>Details</b>	<b>Amount (₦)</b>
Support for Kidney Diseases Foundation	1,200,000.00
Adoption of sweeping route (LWMA)	2,376,000.00
Support for medical education research	1,400,000.00
Free medical outreach -World Hypertension Day	1,100,250.00
Support for indigent school children	1,214,750.00
Others	<u>1,951,057.72</u>
<b>Total CSR</b>	<b><u>9,242,057.72</u></b>

In accordance with section 43(2) of the CAMA 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

## Report of the Directors for the year ended December 31st, 2023.(contd.)

### 15. **RESEARCH AND DEVELOPMENT**

In order to maintain and enhance its skills and abilities, the Company's policy of continuously researching into new products and services was maintained. The Company incurred N21,644,325 (2022 – N11,072,491.70) on various research projects during the year.

### 16. **TECHNICAL SERVICES AND KNOW-HOW AGREEMENT**

The Company did not enter any Technical Services Agreement with any organization which is registerable with the National Office for Technology Acquisition and Promotion (NOTAP).

### 17. **BUSINESS DEVELOPMENT**

The company executed an agreement with Kensington International Marketing Company Ltd. (KIMCO) for contract manufacturing of its products in Nigeria.

### 18. **COMPANY'S DISTRIBUTORS**

The Company's major distributors are:

Chufil Pharmacy  
Audion Nigeria Limited  
Csc Pharma Limited  
Onyema Pharmacy  
Dimatts Pharm. Limited

Daruchi Products Limited  
Fulfilled Dream Pharmacy  
Canez Healthcare Limited  
Fiolu Pharm Limited  
Ogbuagu Pharm. Coy.

### 19. **SUPPLIERS**

The Company's suppliers are both local and foreign. Some of the Company's major suppliers are:

#### **Local**

Unikem Industries Limited  
Orient Global Manufacturing Co. Ltd.  
HK Printing & Packaging Limited  
Wahum Packaging Limited  
Providence Associated Industries Ltd.  
Dangote Sugar Refinery Plc.

#### **Foreign**

Meghamani LLP  
Front Pharmaceutical Plc.  
Parle Elizabeth Tools Pvt Limited  
Belco Pharma  
Inventia Healthcare Limited  
Ruian Hualian Imp. & Exp.

The Company is not related to any of its suppliers.

### 20. **EMPLOYMENT AND EMPLOYEES**

#### **1. Employment of disabled persons**

It is the policy of the Company 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 experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31<sup>st</sup> December, 2023 there was no disabled person in the employment of the Company.

#### **2. Health, safety at work and welfare of employees**

Health and safety regulation are in force within the premises of the Company. The Company provides subsidy in transportation, housing, meal and medical expenses to all employees.

#### **3. Employee involvement and training**

The Company is committed to keeping employees fully informed regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees.

Management, professional and technical expertise are the Company's major assets and investment to develop such skills, continues.

The Company's expanding skill's base has been extended by the provision of training which has broadened opportunities for career development within the organization.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

## Report of the Directors for the year ended December 31st, 2023.(contd.)

### 21. **AUDIT COMMITTEE**

The members of the statutory Audit Committee appointed at the Annual General Meeting held on 1<sup>st</sup> June, 2023 in accordance with Section 404(3) of CAMA 2020 were:-

	<u>Designation</u>
Mrs. C. Vincent-Uwalaka	Chairman
Mr. O.B. Adeleke	Member
Mr. K. Kalejaiye	Director/Member
Chief S.M. Onyishi	Director/Member
Mr. K.O. Durojaiye	Director/Member

The Committee met in accordance with the provisions of Section 404 of CAMA 2020 and will present its report.

### 22. **COMPLIANCE WITH REGULATORY REQUIREMENTS**

The Directors confirm to the best of their knowledge that the Company had substantially complied with the provision of the Companies and Allied Matters Act 2020, Code of Corporate Governance of the Securities and Exchange Commission, the Nigerian Code of Corporate Governance 2018 as well as the regulations of NSE and the Securities and Exchange Commission and other regulatory requirements.

The Directors further confirm that the Company had adopted the IFRS and had complied with the provisions thereof.

### 23. **EFFECTIVENESS OF INTERNAL CONTROL SYSTEM**

As the Company operates in a dynamic environment, it continuously monitors its internal controls system to ensure its continued effectiveness. In doing this, the Company employs both high level and preventive controls which will ensure maximum opportunity for prevention of misleading or inaccurate financial statement, properly safeguard its assets and ensure achievement of its corporate goals while complying with relevant laws and regulations.

### 24. **POST BALANCE SHEET EVENTS**

There were no post balance sheet events that would have had an effect on these financial statements.

### 25. **HUMAN CAPITAL MANAGEMENT**

Employee relations were stable and cordial in the year under review.

### 26. **AUDITORS**

“Messrs. PKF Professional Services had indicated that in keeping with the best governance practice, in the Nigerian Corporate Governance 2018 and the Audit Regulations 2020, both issued by the Financial Reporting Council of Nigeria, it would not seek re-appointment as External Auditors of the Company having spent 10 years continuously in that position. The Directors have engaged Messrs. Grant Thornton Nigeria to fill the casual vacancy left by the exit of Messrs. PKF Professional Services. Special notice has been given pursuant to Section 411(a) of CAMA in respect of the appointment of Messrs Grant Thornton Nigeria as External Auditors of the Company at the Annual General Meeting.

The Auditors Messrs. Grant Thornton Nigeria have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 401(2) of CAMA 2020. A resolution will be proposed authorising the Directors to fix their remuneration.

### BY ORDER OF THE BOARD



**ADETOUNABIRU**  
**FRC/2013/PRO/ICSAN/002/00000003280**  
**for: MARINA NOMINEES LIMITED**  
**Secretaries**  
**LAGOS NIGERIA**

28<sup>th</sup> March, 2024

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors are responsible for the preparation of the Financial Statements, that give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for that year and comply with the Companies and Allied Matters Act, 2020 (CAMA).

The Directors are required by the provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) in April, 2011 to issue this statement in connection with the preparation of the financial statements for the year ended December 31, 2023.

In doing so, they must ensure that:

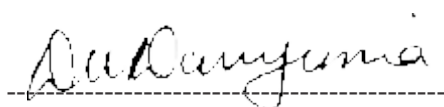
- adequate control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities;
- ethical standards are maintained and the Company complies with the laws of Nigeria and the Codes of Corporate Governance;
- the terms of reference and procedures of all board committees are determined;
- proper accounting records are maintained;
- applicable accounting standards are adhered to;
- suitable accounting policies are adopted and consistently applied;
- judgments and estimates made are reasonable and prudent;
- the going concern basis is adopted, unless it is inappropriate to presume that the Company will continue in business.

The Directors accept responsibility for the preparation of these financial statements, which have been prepared in compliance with:

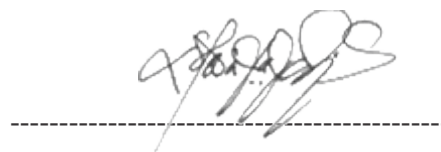
- The provisions of the International Financial Reporting Standard;
- The provisions of CAMA;
- The provisions of the Financial Reporting Council of Nigeria, Act No. 6, of 2011;
- The published accounting and financial reporting standard issued by the Financial Reporting Council of Nigeria; and
- The regulations of the Securities and Exchange Commission and the Nigerian Stock Exchange

The Directors have made an assessment of the Company's ability to continue as a going concern based on the supporting assumptions stated in the financial statements, and have every reason to hold that the Company will remain a going concern in the financial year ahead.

Signed on behalf of the Board of Directors by:



**Senator Daisy Danjuma**  
Chairman  
FRC/2020/003/00000020890



**Mr. Patrick Ajah**  
Managing Director  
FRC/2021/003/00000023215



EMBRACE  
**PURITY**  
IN EVERY SINGLE DROP!



**Mineral Content:**

Chlorides-10Mg/L

Sulphate-10Mg/L

Nitrate-5Mg/L

Magnesium-1.00Mg/L

Iron-0.1Mg/L

Calcium-10Mg/L



Factory: 1, May & Baker Avenue, Off Idi-Iroko  
(Opposite Covenant University) Ota Ogun State.

E-mail: [lily@may-baker.com](mailto:lily@may-baker.com)  
Website: [www.may-baker.com](http://www.may-baker.com)

Hotline: 234-(0)1-4533446, 08030744060,  
08077288755, 08062211132, 08109890797,  
08069095003, 08064414365, 08053147303.

**Board of Directors**



**Senator Daisy Danjuma**

**Chairman**

- Appointed a Director 30th May, 2019
- Graduate of Law, Ahmadu Bello Uni. - 1976
- Called to Bar - 1977
- Alumnus of Lagos Business School
- Trustee of HID Awolowo Foundation
- Chairman, Board of Trustees of Lagos Public Interest Law Partnership
- Exec Chairman, South Atlantic Petroleum Limited
- Member of the International Bar Association and the International Federation of Female Lawyers
- Date of birth: August 6, 1952

**Mr. Patrick Ajah**

**Managing Director**

- Appointed a Director 1st December, 2020
- Appointed Managing Director/CEO 1st January, 2021
- B. Pharm. University of Ibadan (1988-1994)
- MBA Obafemi Awolowo University (2002-2005)
- Vast Professional experience with several awards for outstanding performance
- Has Attended several professional and leadership courses
- Date of birth -Jan 10, 1967



**Board of Directors**



**Dr. Edugie Abebe**

- Appointed 14th March, 2013
- MBBS, College of Med; University of Lagos, 1969 - 1974
- M.Sc. Community Health, London School of Hygiene & Tropical Medicine, 1978 - 1979
- Retired Perm Sec. Fed. Govt. of Nigeria.
- Fellow, Nigerian Institute of Management.
- Member, Nigerian Medical Association.
- Member, Chartered Institute of Directors
- Has several International awards/honours
- Date of birth: October 17, 1950



**Mr. Kolawole O. Durojaiye**  
FCA, HCIB

- Appointed 4th June, 2021
- Holds a Masters in Banking and Finance (MBF) from University of Lagos.
- Director, CBN, April - July, 2017
- Fellow, Institute of Chartered Accountant of Nigeria (FCA).
- Has vast training and exposure in strategy formulation, development and implementation of core business functions.
- Vast experience in various capacities on research, training, auditing, accounting and banking supervision & other special assignments
- Date of birth: August 3, 1960



**Mr. Michael C. Odumodu**

- Appointed 27th of July 2023.
- Holds a Bachelor's Degree in Economics from the University of Kent, UK
- Holds a Masters Degree in Economics and Strategy from Imperial College Business School, UK - 2017
- An experienced Investment professional analyst
- Accomplished project management expert.
- Date of birth: August 2, 1991



## Board of Directors



### Dr. (Mrs.) Rahila Ilegbodu

- Appointed 30th June, 2022
- MBBS – Lagos University Teaching Hospital
- BA Biology – Taylor University, Upland Indiana, USA
- Has a wealth of experience in medical administration and practice
- Date of birth: October 18, 1963



### Mr. Ayodeji S. Aboderin

- Appointed Exec. Director, 1st March, 2017
- Obtained Higher National Diploma in Accountancy from The Polytechnic, Ibadan, 1993
- Holds an Executive Masters in Business Admin. EMBA from NOUN/COL, Canada
- Associate, Chartered Institute of Management Accountants (UK)
- Fellow, the Institute of Chartered Accountants of Nigeria (FCA)
- Member, Chartered Institute of Directors
- Member, AICPA-(CGMA)
- Diverse trainings & vast professional experience in core business areas/functions.
- Date of birth: October 20, 1968



### Chief Samuel M. Onyishi (MON)

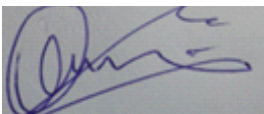
- Appointed Non-Executive Director, 21st March, 2019.
- MBA in Entrepreneurship. Diploma and B. Sc. In Social Work and Community Development from University of Nigeria, Nsukka – 1995 and 1999.
- Fellow, Nigerian Institute of Science and Technology, Federal Polytechnic, Unwana Afikpo.
- Prestigious Key Man Award for Business Excellence and Integrity
- Chairman, Peace Mass Transit Limited.
- Philanthropist, social entrepreneur and business mentor.
- Date of birth: November 23, 1963

## Report of the Audit Committee

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020 (CAMA 2020) and Section 30 of the Code of Corporate Governance in Nigeria issued by the Securities and Exchange Commission, we have received and considered the Consolidated Group Financial Statements of the Company for the year ended 31<sup>st</sup> December, 2023 and the reports thereon and confirm:

- i. That the accounting and reported policies of the Company are in accordance with legal requirements and agreed ethical practices;
- ii. That we have reviewed the scope and planning of the audit for the year ended 31<sup>st</sup> December 2023;
- iii. That we have reviewed the findings on management matters/letters issued by the External Auditors and Management responses thereto;
- iv. That we have ensured the development of a comprehensive Internal Control Framework for the Company and obtained assurance on the operating effectiveness of the Internal Control Framework;
- v. That we have seen Management's procedure for the identification of significant fraud risks in the company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- vi. That in the course of the year, we have reviewed various reports by the Internal auditor describing the strength and quality of Internal control including issues and recommendations for improvements, raised during the most recent internal control review by the company.

In our opinion the scope and planning of the Group audit for the year to 31<sup>st</sup> December 2023 are adequate and we have made the recommendations required in respect of the External Auditors.



**Mrs. C. Vincent-Uwalaka**  
(Audit Committee Chairman)  
FRC/2013/ICAN/00000002666

Dated 26<sup>th</sup> March, 2024

### Members of the Statutory Audit Committee

Mrs. C.O. Vincent-Uwalaka (Chairman)  
Mr. B.O. Adeleke  
Mr. K. Kalejaiye  
Chief S.M. Onyishi  
Mr. K.O. Durojaiye



## Sustainability Report

### PRESERVING TOMORROW'S HEALTH TODAY

#### 1.0 Introduction

Welcome to our third May & Baker Nigeria Plc annual Sustainability Report. As a pioneer pharmaceutical company in Nigeria, we are dedicated to collaboratively driving progress on sustainable development in partnership with our stakeholders.

At May & Baker Nigeria Plc, our sustainability culture is rooted in the fabric of our business strategy and operations to create positive social, environmental and economic impacts for all stakeholders.

The May & Baker 2023 Sustainability Report, our second integrated report, covers the Company's sustainability activities between January 1, 2023, and December 31, 2023, and it communicates our sustainability performance (economic, social, governance and environmental), commitments and targets as a responsible and leading pharmaceutical brand. The report highlights our aspirations, progress, and challenges as we work towards integrating sustainability in every aspect of our business.

The report has been prepared using the Global Reporting Index (GRI) standards and principles of reliability, accuracy, balance completeness, sustainability context, materiality, completeness, and stakeholder inclusiveness.

The report is aimed at promoting transparency and accountability to stakeholders regarding the impacts of our business on society and our drive towards constantly achieving our sustainability targets.

This report also discloses our commitment to the Nigerian Stock Exchange (NGX) Sustainability Disclosure Guidelines and the sustainability principles contained in the Nigerian Code of Corporate Governance (NCCG) 2018.



MAY & BAKER NIGERIA PLC- OTA FACTORY

## Sustainability Report

### 2023 THEME "PRESERVING TOMORROW'S HEALTH TODAY"

#### Our Approach to Sustainability

In line with our vision and mission, May & Baker embeds sustainability in every aspect of our business. We remain committed to supporting the achievement of the sustainability development goals (SDGs). We recognise that building a profitable business for our shareholders also requires that we contribute to socio-economic development and the protection of the environment. In furtherance of this, we are committed to:

- Building sustainable value-added relationships with our stakeholders
- Ensuring that our actions as a corporate organisation have minimal impact on the environment,
- Using our resources to contribute to economic growth and ensure increased shareholder value.
- Reducing the carbon footprint of our operations and our products.
- Communicating our sustainability performance transparently to all stakeholders.

#### Materiality Assessment

The success of our company depends on conducting our business responsibly, engaging and addressing the concerns of our stakeholders. Through regular and varied channels, we engage with our stakeholders to identify and prioritise key interest areas for our stakeholders and business. We go further to integrate these material issues into our business, set targets and report on our progress regularly and transparently.

In 2023, as in the previous years, we adopted the dual materiality approach to assess our impacts and improve our disclosures on topics that have the most impacts on the environment, the economy, and society.

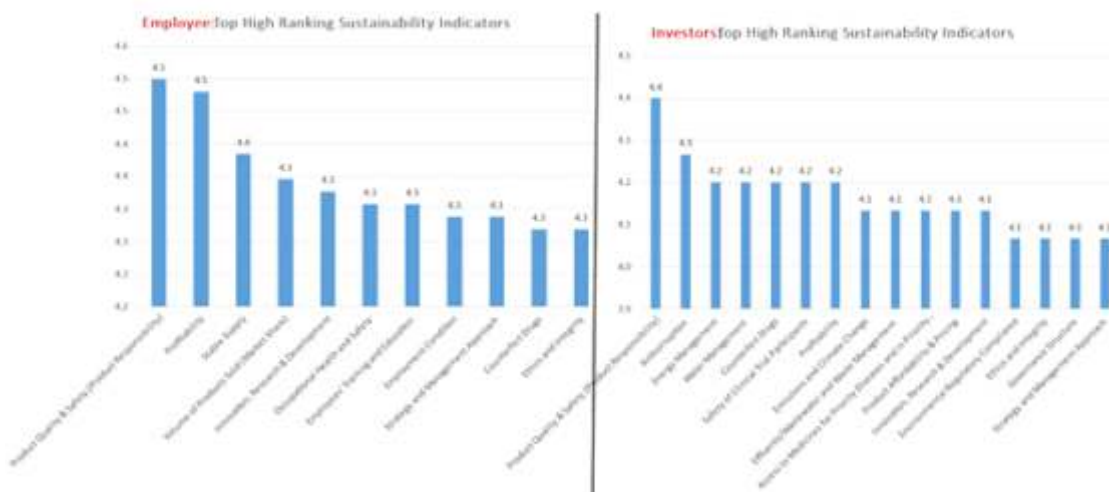
A survey was deployed using the Google Form survey platform, which was administered to employees, customers, media, community partners and investors. The survey assessed and ranked various environmental, social and governance (ESG) metrics according to their importance to the stakeholders. The responses were collected anonymously to ensure confidentiality and transparency.

The responses were analysed, and scores were allocated to the various survey questions based on the frequency distribution of all relevant responses to each survey question per stakeholder group.

The assessment results were plotted on a materiality matrix to prioritise top material sustainability impacts and guide strategy.

The insights from the engagement with our stakeholders are represented in the materiality matrix below:

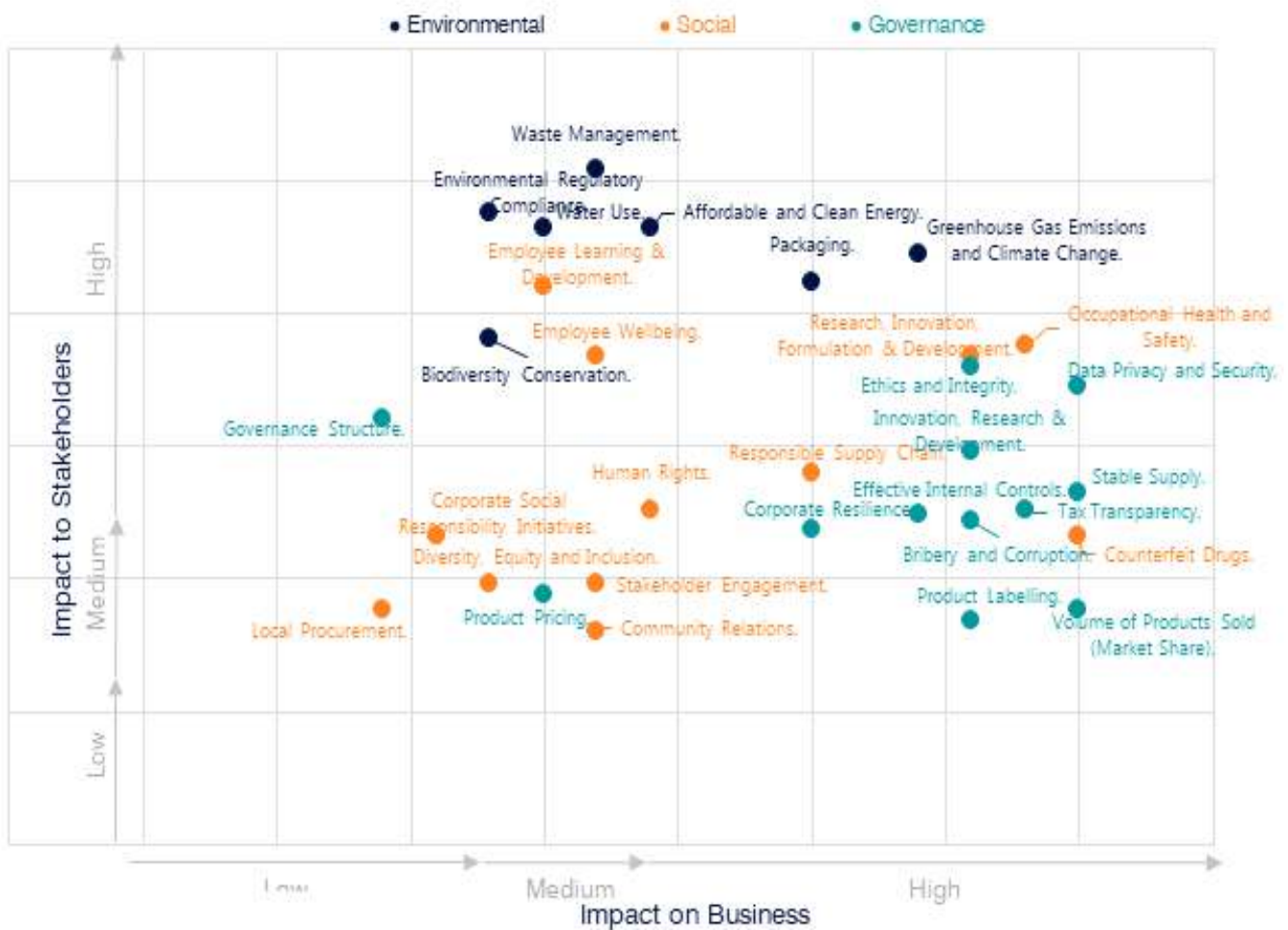
#### High Ranking Sustainability Indicators



## Sustainability Report



### Materiality Assessment Matrix



## Sustainability Report

### Delivering Sustainable Value

We recognise that the sustainability of our business is directly related to the value we create and deliver. We are committed to continually delivering long-term value to all our stakeholders:





## Sustainability Report

### Nigerian Stock Exchange Sustainability Disclosure

The Nigerian Sustainability Disclosure Guidelines 2018 is aimed at integrating sustainability reporting for companies listed on the Nigerian Stock Exchange and encouraging listed companies to adopt sustainability business practices. We have incorporated the NGX Disclosure Guidelines into our sustainability report in line with regulatory expectations.

Below is a table that refers to various sections of the report showing how we have complied with the themes in the Sustainability Disclosure Guidelines 2018::

Theme		Reference Section
Diversity in the Workplace		Diversity, Equity, and Inclusion
Labour relations		Our People
Occupational Health & Safety		Occupational Health and Safety
Compliance		Regulatory Compliance
Energy		Energy Consumption, Carbon Emissions
Waste Management		Waste Management
Society		Our People
Human Rights		Human Rights
Anti-corruption		Anti-Corruption
Responsible Products		Product Quality and Safety
Supplier Relationship Management and Ethics		Sustainable Supply Chain



## **Sustainability Report**

### **SUSTAINABLE GOVERNANCE**

We recognise that good governance is key to our continued profitability and sustainability. Our corporate governance is focused on managing risk and supporting sustainable growth to create shared value for all our people, including our shareholders, employees, and local communities. We operate effective internal control systems and conduct corporate governance reviews annually to evaluate the effectiveness of our governance structure.

#### **Governance Framework**

At May & Baker, the Board of Directors make key decisions for the company except for the matters reserved for the shareholders in general meetings.. The Board Charter, the Memorandum and Articles of Association form the framework for the Company's corporate governance.

The Board's composition, with a mix of non-executive, independent non-executive and executive directors is in line with global best practice. The effective and innovative business strategy that our company benefits from is partly derived from the structure of our Board, which is gender diversified with professionals from different backgrounds.

The Nomination, Remuneration and Governance Committee is responsible for oversight of sustainability matters. The committee receives quarterly reports on the company's performance and progress on meeting its sustainability targets.

#### **Business Ethics**

We are committed to ethical business practices which is one of the major pillars of our business operations. We have put systems and controls in place to promote honesty, transparency, and accountability, in our business. Our commitment to ethical business conduct is amplified in our Code of Business Ethics, Employee Handbook, and other company policies.

#### **Anti-Corruption**

May & Baker maintains zero tolerance for corrupt practices such as fraud, bribes, and other forms of corruption. We have put in place a robust system for reporting and investigating any allegations of corruption in our business and a sanctions system is in place for erring employees and partners.

The Company's Code of Business Ethics outlines the company's position on anti-corruption. Annually, every employee and business partner are required to acknowledge their willingness to adhere to these principles through the execution of the Code of Conduct Form.

#### **Regulatory Compliance**

At May & Baker Nigeria Plc, we proactively comply with laws, rules and regulations of our various regulators including the National Agency for Food and Drug Regulation and Control, The Nigerian Exchange, the Securities and Exchange Commission, and the Financial Reporting Council of Nigeria, to name a few.

We ensure that we maintain a clean compliance record by providing updates and training to staff on new laws, regulations, and guidelines, monitoring of company's compliance status through quarterly reports to the Nominations, Remuneration and Governance Committee, monitoring and maintenance of our internal control framework and regular interface with regulators.

In the reporting period, there was no penalty nor fine levied against the Company.

## Sustainability Report

### Stakeholder Engagement

At May & Baker Nigeria Plc, we continuously engage with our stakeholders using different communication channels to enable us better understand and address the concerns of our stakeholders. The nature of our sustainability commitments require us to be honest in evaluating our current state as an organisation, open to discussing the validity of our actions and ready to innovate and continuously improve our people, products, and processes.

In the year under review, we engaged with our stakeholders at various times and through various media as shown in the table below.

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Material Issues Raised
Investors	Annual General Meeting Extraordinary General Meeting Corporate Actions	Regular	Financial performance Return on Investments Investor Relations
Employees	Meetings and Briefings Seminars and Training Performance Reviews	Regular	Compensation and Benefits Learning and Development Health and Safety
Customers	Customer Satisfaction Survey Customer Forum Emails and Telephone Calls Customer Visits	Frequent	Logistics/Delivery, Invoicing and Payment, Product Quality & Safety, Product Storage
Suppliers	Supplier Forum Emails and Telephone Calls Site Visits and Inspections	As the need arises	Price reviews Payment Cycle and delays Port delays LC Confirmation
Media	Press Conferences Interviews Media Parleys Product launches	As the need arises	
Local Community	Town Hall Meetings Strategic Partnerships Community development Initiatives	Regular	CSR Interventions
Government/Regulatory Bodies	Consultations Emails and Phone calls Compliance reporting Meetings Training on new laws and regulations	Regular	Regulatory Compliance Adoption of global best practices

## Sustainability Report

### OUR ENVIRONMENT

May & Baker Nigeria Plc recognises the critical importance of environmental sustainability in today's world. As part of our commitment to caring for our environment, we continuously set targets, and monitor and improve our impacts across all aspects of our operations.

#### Energy Consumption

We recognise that our operations are energy-intensive, and we have committed to achieving a 30% reduction in our energy consumption by 2030. This target cuts across both our office buildings and factories. To achieve this, we are implementing several initiatives. We are replacing old air conditioners at our offices with eco-friendly, energy-efficient inverter air conditioners. We also use LED lighting in our facilities, which consumes less energy.

We are planning to install solar-powered, motion-sensitive security lights to minimise our energy consumption.

We champion continuous employee awareness (through notices in the offices, and on the intranet) on minimising energy consumption by switching off equipment and appliances that are not in use.

Total volume of Natural Gas consumed in 2023 was **13,886** Cubic meters (m3)

#### Carbon Emissions

In 2023, a larger percentage of our energy consumption was largely from electricity generated from fossil fuels - gas and diesel. To lower our carbon footprints, we are making efforts to reduce our dependency on fossil fuels. We have set a target to achieve at least a fifty-fifty ratio of fossil fuel to renewable energy in our energy mix

We recognise that climate change remains one of the biggest challenges of our time and we are committed to reducing greenhouse gas (GHG) emissions and exploring opportunities that are arising in a low-carbon economy. Our strategy towards reducing GHG emissions include improving energy efficiency and adopting eco-friendly energy sources. We are partnering with power companies to generate renewable energy through the purchase and installation of solar energy systems at some of our facilities to power our business operations. We are implementing an initiative that would result in a phase-out of diesel-powered generators, to be replaced by more eco-friendly gas-powered generators. Studies have shown that burning natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide (CO2) than burning coal or petroleum products to produce an equal amount of energy.

We encourage carpooling among staff for daily operational activities to reduce the number of vehicles in use thereby reducing emissions. Through energy-efficient practices, renewable energy adoption and transportation optimisation, we continue to lower our carbon footprint.

Our efforts to reduce carbon emissions have resulted in a **10%** decrease compared to 2022.

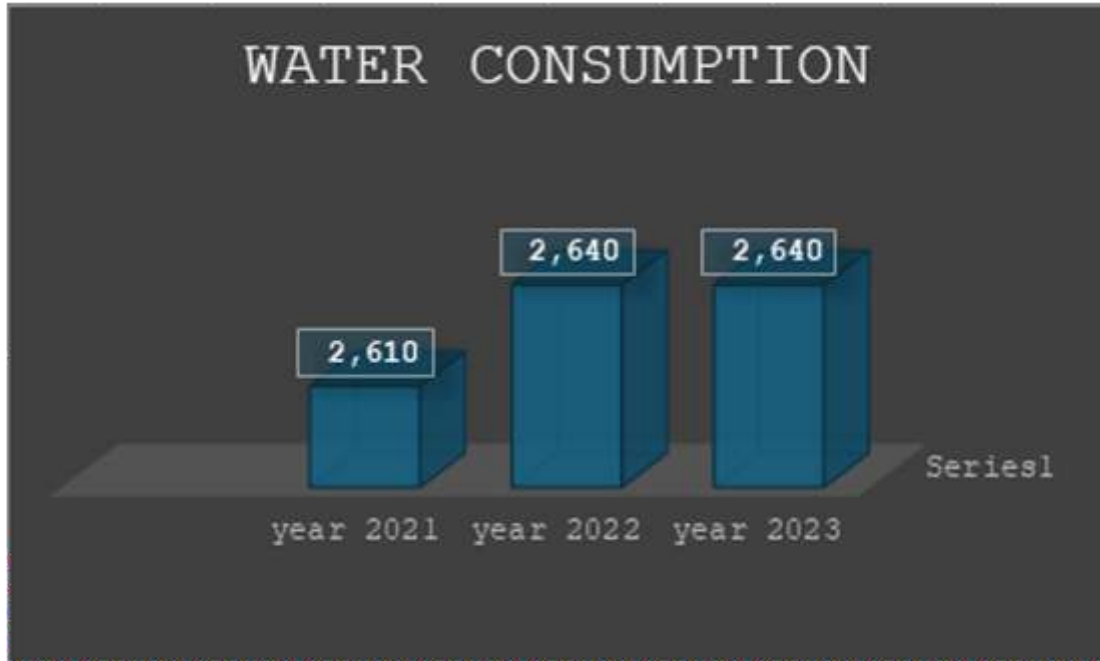
#### Waste Management

At May & Baker, we are continuing with our Reduce, Reuse and Recycle strategy for waste reduction. We conduct regular waste audits to enable us to monitor our level of waste production and measure our performance in reducing waste. In addition, packaging redesign is among the waste management strategies we are implementing to meet our waste reduction targets. Our efforts to reduce hazardous and non-hazardous waste have resulted in a **50% decrease to 0.35 tonnes/year** compared to 2022.

## Sustainability Report

### Water Conservation

We acknowledge that water is an important and finite resource and are committed to using water responsibly and efficiently in our business. Between 2022 and 2023, we consumed about 5280 m3 of water. The graph below shows the water volume consumed from 2021 to 2023.



We operate an effluent treatment plant, where we purify our industrial wastewater and convert it to clean safe water.

We invested in water-efficient flush toilets to minimise the use of water. We also run regular employee awareness campaigns to promote responsible and sustainable water usage in our operations. These measures have ensured that there was no increase in our water consumption in 2023 even with higher activities compared with 2022.

### Biodiversity Preservation

At May & Baker, we are committed to preserving biodiversity in our local community. Over the years we have grown a diverse range of trees and shrubs around our facilities which helps to offset the carbon emissions from our manufacturing operations (see Factory picture on page 30)

### Environmental Compliance

We comply with global, national, and local environmental rules, regulations, and standards. We conduct routine (monthly/quarterly) noise and air quality assessments and effluent monitoring in compliance with national and state laws.

We regularly review our sustainability policy, to ensure alignment with global best practices and national and local laws and regulations.

In 2023, we recorded zero environmental non-compliance and did not incur any regulatory sanction or penalty for non-compliance with environmental laws and regulations..

## Sustainability Report

### CONTRIBUTION TO THE ECONOMY

At May & Baker, we recognise that the sustainability of our business lies in continual value creation for our stakeholders. We are in business not only to maximise profit for our shareholders but to also contribute to the economic growth of the society at large.

Our revenue increased by 38% from ₦14.3 billion in 2022 to ₦19.9 billion in 2023., Our declared dividend for the period stood at 30k per ordinary share to our shareholders and the total dividend declared for the period stood at ₦517 Million.

Our gross earnings grew from ₦3.9 billion in 2022 to ₦6.6 billion in 2023, representing a 69% growth rate. We are committed to the economic prosperity of our employees. We ensure fair compensation and benefits to our employees even as we continue to navigate the tough economic situation.

We also meet our obligations to the government by paying our taxes promptly as responsible corporate citizens. We remitted ₦534.3 million in income tax to the government in this reporting period.

#### Product Quality and Safety

At May & Baker, we pride ourselves in the quality of our products, which sets us apart from the competition. As such, we set and maintain stringent quality targets to continuously manufacture quality healthcare products. We value the trust which our customers and the entire public have in our products, and we continuously strengthen our rigorous quality assurance and control procedures to ensure a consistent level of quality.

We are also committed to the proper implementation, maintenance, and continual improvement of the effectiveness of **ISO 9001:2015** Quality Management System and **WHO-GMP** (World Health Organization Good Manufacturing Practices) standards.

We provide transparent labelling information on all our products in compliance with regulatory requirements.

We provide regular training for stakeholders on our products and conduct regular product safety evaluations as part of our commitment to product safety.

#### Sustainable Supply Chain

Our suppliers are key to our business operations, and we work closely with them to ensure continuous improvement in performance and quality.

Adherence to our code of conduct is a pre-requisite for all suppliers and contractors and it guides our engagement with them to ensure compliance with applicable laws and regulations and global best practices. We provide secure channels for suppliers to report any issues arising from doing business with us and for prompt resolution of such issues.

We promote local procurement in our operations to positively impact small and medium indigenous businesses in our locality. In 2023, **30%** of our procurement budget was spent on local suppliers.



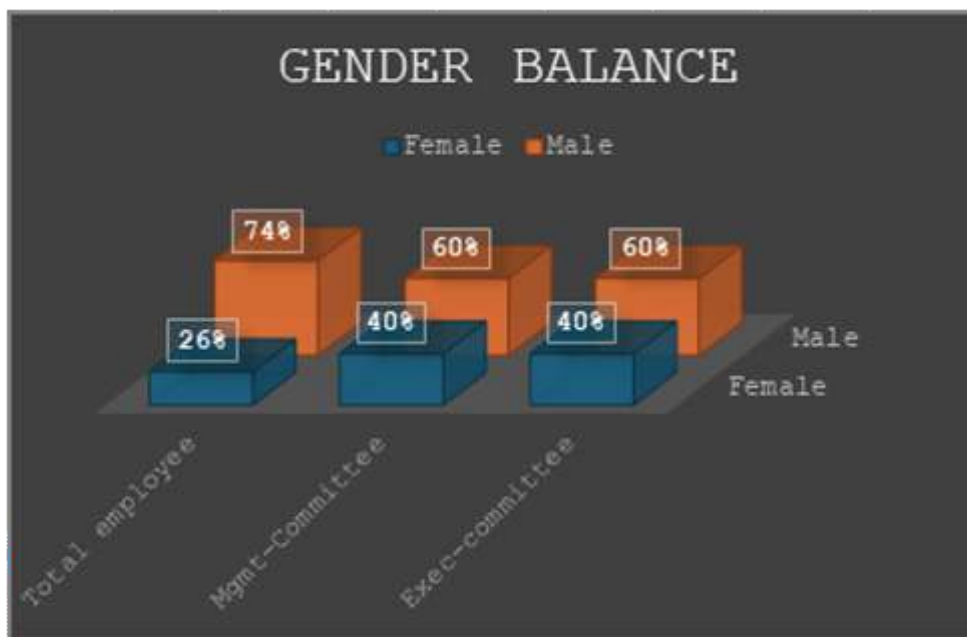
## Sustainability Report

### OUR PEOPLE

Our employees are the lifeblood of May & Baker Nigeria Plc. We maintain a work environment where our people can build fulfilling careers while having a great work-life balance. We strive to ensure that our business strategy creates shared values for the economic growth and well-being of our employees.

#### Diversity, Equity, and Inclusion

Employing both locally and from different parts of Nigeria, the company takes its diversity, equity, and inclusion targets very seriously. Our policy on diversity, equality and inclusion sets out the company's goals in achieving a diverse and inclusive environment. The company is committed to increasing the number of women at all levels of the organisation, As of 2023, the total number of women working in the company compared with the men stood at 26% to 74%.



May & Baker is an equal-opportunity employer. We continuously strive to improve our business performance by employing people from different backgrounds, with different perspectives, skills, and experiences. We ensure that our work environment is conducive by providing the necessary support and resources for employees with disability to thrive in the company.

#### Non – Discrimination

We have a zero-tolerance policy for discrimination in the workplace. We proactively work to ensure that no employee is discriminated against based on age, tribe, gender, political opinion, or religion. We promote awareness of the company's non-discrimination policy through training. In 2023, there was no reported case of discrimination in the company.

#### Training and Development

We are committed to enabling employees to acquire skills that will ensure relevance in a dynamic world and also contribute to the success of the company. We develop a training programme every year following an assessment of employee needs and provide custom training in various areas for employees in partnership with reputable training organisations.

We are committed to continually increasing the number of employees who access training opportunities personalised to their training needs year on year. This enables us to ensure that our employees are at the cutting edge of new knowledge and skills within their profession. In 2023, we spent about ₦30.8 million on training and development which represents about 196% cumulative growth from 2021.

## Sustainability Report

### Employee Well-being

Employee well-being is at the top of management's agenda. We are continually taking necessary steps to monitor and maintain a high level of employee well-being.

All employees are provided access to a HMO plan to support their health needs. Female employees have maternity leave to enable them to care for their newborn and on their return to work, are entitled to early closing time to assist them with the transition period.

In 2023, given the tough economic conditions in the country and its effect on citizens' spending power, the company implemented an economic relief package to the tune of **30% increase** of total emoluments for all employees to minimize the adverse effects of the economic situation.

### Human Rights

As a responsible corporate citizen, we continue to respect and uphold human rights as enshrined in the Nigerian Constitution, the United Nations Guiding Principles on Business, and the United Nations Global Compact.

We have put in place an accessible channel for reporting any human rights violations. In 2023, there were no reported cases of human rights breaches in the company.

Our target is to maintain a zero incidence of human rights violations. To achieve this, we plan to develop custom human rights training for our employees and to effectively monitor the human rights-related risks that are inherent in our operations.

### Child Labour, Forced or Compulsory Labour

We abide by the International Declaration of Human Rights and prohibit the use of forced compulsory and child labour in any form. In 2023, there was no incident of child and forced labour in our workforce.

### Freedom of Association

At May & Baker, we recognise the right of employees to join formal groups that promote their occupational interests. We acknowledge that the various employee interest groups provide an opportunity for constructive dialogue and engagement between the company and its employees.

In 2023, the total number of our employees covered by collective bargaining agreements increased from **352** staff in 2022 to **364** staff in 2023 representing a **3.4%** increase.

### Occupational Health & Safety

At May & Baker, we take safety in the workplace seriously and maintain a proactive approach to the health and safety of our employees. We have put in place numerous measures to ensure the safety of our employees. We provide personal protective equipment for employees based on their job assessment. We ensure that all staff attend and participate in regular health and safety awareness training. Health and safety awareness training in 2023 included emergency preparedness/fire drills, use of fire safety equipment, Safety training on the use of PPE, Safety in machine operations and First Aid Training.

Safety signs are visibly posted in all parts of our office buildings and factories to ensure the safety of employees and visitors.

## Sustainability Report

### SUSTAINABLE LOCAL COMMUNITIES

At May & Baker Nigeria Plc, we believe that to achieve our mission of improving the quality of life, throughout life for all lives, we must actively support the communities where we operate. We make a concerted effort to engage with the local community, listening to their needs and expectations and collaborating to implement the right initiatives to meet those needs. Through a myriad of community initiatives, we contribute significantly to the sustainable development of local communities.

Our approach to community social investment is anchored on three (3) thematic areas, namely; Health, Education, and Environment. We have identified these as important issues through our stakeholder engagement with the different communities. In line with our vision, we will continue to engage our communities, provide them with sustainable solutions, and deliver positive environmental and social impacts

In 2023, our total social investment was **₦9.2 million**, representing a **44%** increase from 2022.

#### Case Study 1: “Care for the Future” initiative

May & Baker's Care for the Future initiative demonstrates our commitment to investing in people. Employees of the company visited selected schools in the states where we operate. As part of the programme, May & Baker branded items such as school bags, notebooks, pens, and water bottles were gifted to the students





## Sustainability Report

### Case Study 2: Environmental Sanitation Support to Local Agency

May & Baker's environmental support initiative is a resounding example of our commitment to environmental sustainability. Under this initiative, which has been ongoing for the past five years, we support the Lagos State Waste Management Agency with resources for the sweeping of the roads and the green areas and emptying of waste bins around our local community.



*Staff of the Lagos State Waste Management Agency (LAWMA)*

### Case Study 3: "Walk for Life"

The May & Baker Nigeria Plc Annual Walk for Life demonstrates the company's commitment to health and societal well-being. The 2023 Walk for Life was held on World Hypertension Day and was aimed at raising awareness of hypertension in the local community. Partnering with Ikeja Local Government and the Lagos State Ministry of Health, May & Baker conducted a free blood pressure screening exercise for members of the public and sensitized the community on preventive measures and care for hypertension, a leading killer disease in Nigeria.

Total Number of employees involved: **364** staff



## Sustainability Report

### Case Study 4: Professional Service Award

May & Baker Nigeria Plc actively supports academics and researchers in promoting innovative research in the pharmaceutical sciences. In 2023, we recognised outstanding academics in the pharmaceutical sciences at the National Conference of the Pharmaceutical Society of Nigeria through the presentation of the May & Baker Professional Service Award in Pharmacy to support research and innovation in solutions to alleviate the high disease burden in Nigeria.



*Presentation of the May & Baker Professional Service Award at the 2023 National Conference of the Pharmaceutical Society of Nigeria*

### CONCLUSION:

May & Baker Nigeria Plc remains steadfast in its commitment to sustainability and responsible corporate citizenship. Throughout 2023, we continued to integrate environmental, social, and governance (ESG) principles into our business operations, striving for a balance between profitability and societal impact. Our efforts in reducing environmental footprint, enhancing community engagement, and upholding ethical standards have yielded tangible results, reinforcing our position as a leader in sustainable business practices within the pharmaceutical industry in Nigeria. Looking ahead, we remain dedicated to furthering our sustainability agenda, embracing innovation, and fostering partnerships to drive positive change for our stakeholders and the planet.





**IoD Centre for Corporate Governance**

**REPORT OF EXTERNAL CONSULTANTS ON THE BOARD PERFORMANCE  
EVALUATION OF MAY AND BAKER NIGERIA PLC**

The IoD Centre for Corporate Governance performed the evaluation of the Board and Corporate Governance of May and Baker Nigeria Plc for the year ended 31st December 2023 in accordance with the guidelines of provisions of Section 15 (2) of SEC Code of Corporate Governance for Public Companies in Nigeria 2014 as well as principle 15.1 of the Nigerian Code of Corporate Governance 2018. Subsection 15.3 of NCCG states that the summary of the report of the evaluation should be included in the annual report and on the investors' portal of the Company.

In carrying out the Board and Corporate Governance Evaluation, we assessed eight key focus areas and their subsets. The key areas are Board Structure and Composition; Strategy and Planning; Board Functioning and Effectiveness; Monitoring, Measuring, and Reporting Performance; Risk Management, Audit, and Compliance; Sustainability and Good Corporate Citizenship; Transparency and Disclosure; and Individual Directors Assessment, among others. These focus areas are all derived from the 28 principles relevant to Board Evaluation as contained in NCCG and OECD's framework which have been adjudged satisfactory in our ratings.

May and Baker Nigeria Plc has a stated commitment to high standards of Corporate Governance. The governance practices of the company are guided by the Nigerian Code of Corporate Governance 2018, (NCCG); the, the SEC Corporate Governance Guideline 2020 (SCGG), the Companies and Allied Matters Act 2020 (CAMA 2020), as well as Organisation for Economic Cooperation and Development (OECD) and International Finance Corporation (IFC)-related guidelines and other global "best practice" on Corporate Governance and Boards' Performance.

Our approach included the review of May and Baker Nigeria Plc Corporate Governance framework and all relevant policies and procedures. We obtained written representation from all Board members through questionnaires, and had one-on-one interviews with all Directors and key governance personnel.

The findings of our exercise reveal that the Board is responsive and effective. It takes full responsibility for the performance of the company and strives to unlock value for its shareholders, whilst maintaining good corporate citizenship standing and being socially responsible. The Board also exercised its oversight responsibilities over the Executive Management through the Board committees', workings in accordance with the charters, and other frameworks.

On the basis of our work, the Board of May and Baker Nigeria Plc has complied with the requirements of the Nigerian Code of Corporate Governance during the year ended 31<sup>st</sup> December 2023. The outcome of the evaluation and our recommendations for improvement have been articulated and included in our full Board and Corporate Governance Evaluation report to the Board for consideration and implementation.

**For: IoD Centre for Corporate Governance**



**Nerus Ekezie, MBA, MNIM,, FIMC, FIMS (UK)**  
**Chief Executive Officer**  
**FRC/2024/PRO/NIM/002/560573**

## **Report on Risk Management**

In the course of its business activities, May & Baker Nigeria Plc creates opportunities and takes risks, both of which are thoroughly weighed and considered. Business success depends on the principle that the risks taken are managed and that they are outweighed by the benefits.

For timely identification, evaluation and responsible handling of risks, effective detection management, control and audit systems must be in place, which together form May & Baker's Integrated Risk Management System. This system has been set to identify issues which could have a significant negative impact on our business. Further, it establishes a framework to evaluate and counteract such risks through various control and monitoring mechanisms.

The risks identified within our specific business are market risk, operational risk, legal risk, environmental and reputational risk, for which clear structures in terms of areas of responsibility and management are applied.

### **Market Risk**

The business of our Company is dependent on the general economic situation and developments in Nigeria, which is an emerging market and also affected by both the macro-economic and global economic situations. Furthermore, we are exposed to political and social risk in the region.

Moreover, growing competition in the pharmaceutical sector, along with the developing legal framework of industry specific legislation, ordinances and regulations are risks that must be addressed with special focus.

In order to mitigate these risks we have put in place a strategy that identifies opportunities which are passed through the Company's risk assessment and approval system.

### **Operational Risk**

Efficiency, in terms of materials and machinery, logistics and human resources, as well as environmental factors, must be identified and assessed. Production controlling means that productions are continuously subjected to a thorough commercial and efficiency evaluation. Technical aspects are analyzed separately by experts in each respective area.

### **Legal & Compliance Risks**

Legal and compliance risks relates to risks arising from the Government statutory or regulatory environmental action legal proceedings and compliance with quality and integrity policies and procedures including those relating to financial reporting, environmental health and safety. The Company has established an Enterprise Risk Management System to ensure that all risks are identified, assessed and mitigated regarding the impact on the business.

### **Strategy & Risk Management**

Strategic risk relates to the future business plans and strategies, including the risks associated with the global macro-environment in which entities operate; mergers and acquisitions and restructuring activities; intellectual property; and other risks, including demand for products and services, competitive threats, technology and product innovation, and public policy.

The Company has a Risk Management Committee that is responsible for assisting the Board to determine the risk appetite, profile and risk management framework.

**Certification Pursuant to  
Section 7 (2) of the FRCN Act 2011**

We the undersigned hereby certify with regards to the Annual Report and Financial Statements of May & Baker Nigeria Plc and its subsidiaries for the year ended 31st December, 2023 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not:
  - i. contain any untrue statement of a material fact, or
  - ii. omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- (c) We have examined the report to ascertain whether or not there were significant changes or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.
- (d) We:
  - i. are responsible for establishing and maintaining internal controls.
  - ii. have designed such internal controls to ensure that material information relating to the Company including the subsidiaries is made known to such officers and others within those entities particularly during the period in which the annual reports are being prepared;
  - iii. have evaluated the effectiveness of the Company's internal controls as of date and within 90 days prior to the report;
  - iv. have presented in the report our conclusions about the effectiveness of the internal controls based on our evaluation as of that date;
- (e) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as at 31st December, 2023 and for the periods presented in the report.



.....  
**Managing Director/CEO**  
**FRC/2021/003/00000023215**

**Dated: 26th March 2024**



.....  
**Finance Director**  
**FRC/2014/ICAN/00000008270**

**Dated: 26th March 2024**





# May & Baker Nature Care Brands

**Going Natural is the Way!**

## IMMUNOFORTE™

**Indications:** Immunity against diseases, raises energy levels and recovery from sicknesses, Super food Supplement.

**Dosage:** 1-2 Capsules twice a day

### BENEFITS:

- Enhances immunity naturally
- Effective supplement in malaria treatment
- Good for chronic illness and after surgery
- Improves livelihood in immune-compromised people
- Manages anaemia and fatigue
- Provides all necessary body nutrients for daily living, safe for all

*Add life to your years!*



## DIGIVIN™ Bitters

**Indications:** Improves liver function, aids digestion, cleanses the body

**Dosage:** Two teaspoonfuls (10ml) twice a day with water after meals

### BENEFITS:

- Tasty bitters
- Protects the liver
- Manages constipation
- Manages heartburn & indigestion
- Manages stomach ache and excess gas
- Appetizer and digestive stimulant
- Purely natural with no added alcohol

*Eat what you want!*



## Q-SLEP™

**Indications:** Relieves stress/anxiety; Promotes natural sleep and relaxation.

**Warnings:** Not to be taken by pregnant women, nursing mothers and children below 18 years.

**Dosage:** 1-2 capsules at night

**Contraindications:** Low blood pressure patients

### BENEFITS:

- Manages stress and anxiety
- Gives refreshing sleep
- Calms the mind and body
- No addiction
- No hang over effect

*Switch Off Stress, Switch On Sleep!*



## Maysedyl® Herbal

**Indications:** For relief of cough, congestion and sore throat.

**Dosage:** To be used three times a day  
Children (2-5years): 2.5ml (half teaspoonful)  
Children (5-10years): 5ml (one teaspoonful)  
Adults & > 11 years: 10ml (two teaspoonfuls)

### BENEFITS

- Effective and fast acting
- No drowsiness
- No addiction
- Safe in children and adults
- Purely Natural

*The natural power over cough!*



## BOSLAN™ Tablets, Gels and Ointments

**Indications:** Management of joints and muscular pains including stiffness, inflammation, sciatica, frozen shoulder, cervical spondylitis, sprains, soothes sore and strained muscles, arthritis as well as acute pains.

**Dosage:** **ORAL TABLETS:** 2 tablets twice a day to be taken with water after meals or as advised by physician.

**TOPICAL GEL:** Apply a little Boslan gel over the affected area and massage gently till it gets absorbed thoroughly. Repeat 2 to 3 times a day or as advised by the physician.

**TOPICAL BALM:** Massage gently on affected area two to three times daily for relief from joints, muscular, body ache and other pains. For headache rub a little gently with the middle fingers on the temples (between the eyes and ears on the face.)

### BENEFITS:

- Safe, no risk of ulcer, effective, gets to root of pain.
- Can be used for long periods, affordable.

*STOP THAT PAIN WITH BOSLAN*



## VVS 10™ D-MAN | BOLD 10™ Oil

**VVS10 Indications:** Management of Poor or weak erection and low libido.

**D-MAN Indications:** Management of low sperm count, motility and poor morphology  
**Bold10 oil Indications:** To improve strength of penis, and ensure longer lasting erection. As a lubricant for improved sexual pleasure. Not to be taken orally, for external use only.

**Dosage:** **VVS10** - take 2 capsules once daily  
**D-MAN:** Take 1 capsule twice daily

**Bold10 oil:** Rub 5-10 drops on the penis 10 minutes before sex

### BENEFITS:

- Improves libido and sexual strength
- Reduces fatigue and impotency
- Improves sperm count and quality
- Manages premature ejaculation
- No dizziness and headaches

*Be the man!  
Be Man Enough!*



## Niclovix®

**Indications:** For the Prophylactic management of Sickle Cell Disease

**Dosage:** Niclovix should be taken at meal time with water. The capsule should be swallowed whole.

Children (5-11 years)- 1 capsule once a day; if the child cannot swallow, empty contents in a spoon, mix with water and administer  
Adults & above 12 years- 2 capsules once a day.

### BENEFITS:

- It reduces episodes of acute pain
- It reduces the rate of hospitalization
- It prolongs survival
- It improves growth in children with SCD
- It reduces complications from SCD
- It improves quality of life
- It is safe for patients with minimal side effects (very few may have headache)
- It is affordable for patient reducing cost of treatment

*Live life to the Fullest!*



mbnaturecare



@mbnaturecare



mbnaturecare

**Mobile: 0708 645 6428, 0803 364 2117**



**MAY & BAKER NIGERIA PLC**  
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Tel: +234 (1) 2121290 - 1; +234 0708 645 6428  
Email: lyalagbo@mbnaturecare.com  
<http://www.mbnaturecare.com;>





**MAY & BAKER NIGERIA PLC.**



***Ease the Cough...***



**Effective Cough Relief for Adults  
and Children above 2 years**

**MAY & BAKER NIGERIA PLC.**

1 May & Baker Avenue, Off Idiroko Road, (Opposite Covenant University)  
Ota, Ogun State, Nigeria. Tel +234 (1) 2121290-1 Toll Free: 08006292 632 2537  
Website: <http://www.may-baker.com>; [info@may-baker.com](mailto:info@may-baker.com).



## Independent Auditor's Report



### INDEPENDENT ATTESTATION REPORT ON MANAGEMENT ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders of May & Baker Nigeria Plc

#### Opinion

We have performed a limited assurance on the effectiveness of May & Baker Nigeria Plc Internal Control Over Financial Reporting as of 31 December 2023, based on FRC Guidance on assurance engagement on Internal Control Over Financial Reporting and International standards on Assurance Engagement (ISAE 3000 Revised), to report on May & Baker Nigeria Plc assessment on the effectiveness of Internal control over financial reporting (ICFR).

The management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on the assessment of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the accompanying internal control over financial reporting based on our assurance engagement.

In our opinion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2023, based on The Securities and Exchange Commission Guidance on the Implementation of Section 60 – 63 of The Investments and Securities Act 2007 and FRC Guidance on Management Report on Internal Control Over Financial Reporting.

#### Scope of procedures performed

We conducted our audit in accordance with FRC Guidance on Assurance Engagement Report and the International Standard on Assurance Engagement (ISAE 3000 Revised). Both the Guidance and the standard require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

#### Chartered Accountants

##### Grant Thornton Nigeria

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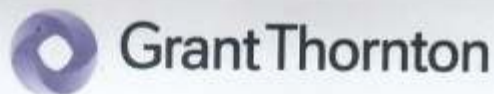
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Orji J. Okpechi  
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Nonyem O. Opara  
Kingsley Opara  
Lateef Emiola

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## Independent Auditor's Report



### Limitations

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

### Our Approach

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

### Report on Other Matters

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of May & Baker Nigeria Plc for the year ended 31 December 2023. Our report dated 28 March 2024 expressed an unmodified opinion.



Kingsley Opara, FCA

FRC/2014/ICAN/00000005881

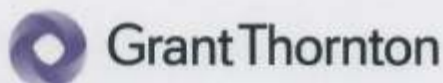
FOR: GRANT THORNTON (CHARTERED ACCOUNTANTS)  
LAGOS, NIGERIA.

Date: 28 March 2024





## Independent Auditor's Report



### REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of May and Baker Nigeria Plc

#### Report on the Audit of the Consolidated and Separate Financial Statements

##### Opinion

We have audited the consolidated and separate financial statements of **May and Baker Nigeria Plc (the "Company")**, and its subsidiaries (Together "the Group"), which comprise of the consolidated and separate statement of financial position as at **31 December 2023**, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 and the provision of the Companies and Allied Matters Act 2020.

##### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report.

We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For the matter reported below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statement.

##### Chartered Accountants

##### Grant Thornton Nigeria

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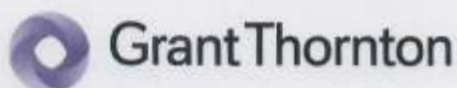
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## Independent Auditor's Report



Key Audit Matter	Our Responses
<p><b>Allowance for Bad and Doubtful Debts</b></p> <p>(Refer to notes 18.1, 18.2 and 18.3 of the financial statements.)</p> <p>As of 31 December 2023, the directors recognized allowance for bad and doubtful debts amounting to N644 million (2022: 694 million) in relation to the total receivables of N1.6 billion.</p> <p>We considered the allowance for bad and doubtful debt to be a key audit matter due to the materiality of the provision and the assumptions involved in the estimate.</p> <p>The estimation involves assumptions such as economic environment, customer behavior and historical collection patterns in arriving at the impairment matrix.</p> <p>Changes in the assumptions used could have a material impact on the estimation of the impairment.</p>	<p>Our audit procedures in response to the key audit matter included, among others:</p> <ul style="list-style-type: none"> <li>We tested the control put in place by the group over its receivables and the credit terms.</li> <li>We tested samples of receivables balances to determine the appropriateness of judgements and assumptions set by the management.</li> <li>Gained an understanding of the methodology applied by the management in assessing the creditworthiness of customers, events and conditions that informed management's assumptions.</li> <li>Tested the reasonableness of the key data inputs used in the computation by performing detailed analysis on the aging of trade receivables and verification of the balances.</li> <li>Verification of the existence and completeness of trade receivables through confirmation with customers, examination of supporting documentation such as sales invoices and contracts, and reconciliation to the general ledger.</li> <li>We reviewed arrangements and/or correspondences with internal and external receivables for the purpose of assessing the collectability of outstanding receivables.</li> <li>Evaluated appropriateness of the related disclosures in accordance with the applicable financial reporting framework.</li> </ul> <p>The result of our procedures shows that the allowance for bad and doubtful debts is reasonable.</p>

### Other Information

The directors are responsible for the other information. The other information comprises of the Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Statutory Audit Committee Report, which is expected to be made available to us prior to that date. Other information does not include the financial statements and our auditor's report thereon.

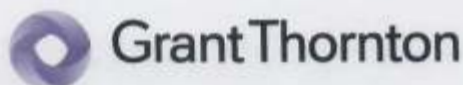
Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, 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. When we read the financial statement, if we conclude that there is a material misstatement therein, we are required to report that fact.



## Independent Auditor's Report



We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the Consolidated and Separate financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate 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



## Independent Auditor's Report



consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

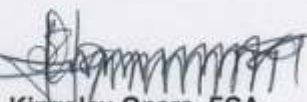
### Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the company; and
- iii) The Group's and Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report on pages 50-51 dated 28 March 2024.



**Kingsley Opara, FCA**  
FRC/2014/ICAN/00000005881  
For: GRANT THORNTON  
(Chartered Accountants)  
Lagos, Nigeria

Date: 28 March. 2024



## **MANAGEMENT'S REPORT ON THE ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

We are pleased to report that May and Baker Nigeria Plc has completed the management assessment of the internal control over financial reporting for the financial year ended December 31, 2023.

Internal control over financial reporting (ICFR) refers to the systems, policies, and procedures implemented by an organization to ensure the accuracy, reliability, and integrity of its financial statements. These controls are designed to safeguard assets, prevent fraud, and ensure compliance with laws and regulations. They provide reasonable assurance that financial information is complete and accurate, allowing stakeholders to make informed decisions.

We utilized the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework to evaluate the effectiveness of our internal control over financial reporting. This internationally recognized framework provides a comprehensive approach to assessing internal controls, ensuring reliability and integrity in financial reporting processes.

Our assessment was concluded 90 days before the issuance of our financial report, aligning with regulatory requirements and demonstrating our commitment to timely reporting.

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

Based on the assessment performed, the management of May and Baker Nigeria Plc is pleased to confirm that our assessment shows that our internal control over financial reporting is effective. There were no material weaknesses identified as of December 31, 2023.



.....  
**Daisy Danjuma (Chairman)**  
**FRC/2020/003/00000020890**

**Dated: 28 March 2024**



.....  
**Finance Director/CFO**  
**FRC/2014/ICAN/00000008270**

**Dated: 28 March 2024**

## STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING (ICoFR)

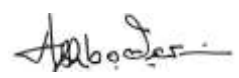
### CERTIFICATION

We, Mr Patrick Ajah (The Group Managing Director) and Mr Ayodeji S. Aboderin (The Group CFO) of May and Baker Nigeria Plc certify that:

- (a) We have reviewed this consolidated financial report for May and Baker Nigeria Plc.
- (b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading concerning the period covered by this report.
- (c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report
- (d) We:
  1. are responsible for establishing and maintaining internal controls.
  2. have designed such internal controls to ensure that material information relating to the Company including the subsidiaries is made known to such officers and others within those entities particularly during the period in which the annual reports are being prepared;
  3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes by generally accepted accounting principles;
  4. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days before the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) We have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- (f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls after the date of their evaluation including any corrective actions about significant deficiencies and material weaknesses.



.....  
**Mr. Patrick Ajah**  
Managing Director/CEO  
FRC/2021/003/00000023215  
Dated: 28 March 2024



.....  
**Mr. Aboderin Ayodeji S.**  
Finance Director  
FRC/2014/ICAN/00000008270  
Dated: 28 March 2024

**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	The Group		The Company	
		2023 N'000	2022 N'000	2023 N'000	2022 N'000
<b>Continuing operations</b>					
Revenue	5.1	19,695,464	14,328,266	18,370,206	13,582,890
Cost of sales	5.2	(13,114,231)	(10,452,985)	(12,590,269)	(10,099,256)
<b>Gross profit</b>		<b>6,581,233</b>	<b>3,875,281</b>	<b>5,779,937</b>	<b>3,483,634</b>
Other operating income	6	62,209	1,673,747	62,209	1,670,494
Distribution, sales and marketing expenses	7.1	(2,566,660)	(2,149,236)	(2,281,081)	(1,899,866)
Administrative expenses	7	(2,707,420)	(1,235,417)	(2,458,396)	(1,152,819)
<b>Operating profit</b>		<b>1,369,362</b>	<b>2,164,375</b>	<b>1,102,669</b>	<b>2,101,443</b>
Finance income	8.1	383,552	231,476	375,834	231,411
Finance costs	8.2	(290,374)	(286,034)	(254,074)	(285,532)
Share of (loss)/Profit in joint ventures	16.2	56,996	(25,565)	-	-
<b>Profit before income tax</b>		<b>1,519,536</b>	<b>2,084,252</b>	<b>1,224,429</b>	<b>2,047,322</b>
Income tax expense	9	(436,517)	(593,642)	(355,566)	(565,367)
<b>Profit from continuing operations</b>		<b>1,083,019</b>	<b>1,490,610</b>	<b>868,863</b>	<b>1,481,955</b>
<b>Attributable to:</b>					
Equity shareholders		<u>1,083,019</u>	<u>1,490,610</u>	<u>868,863</u>	<u>1,481,955</u>
<b>Other Comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
<b>Total comprehensive income for the year</b>		<u>1,083,019</u>	<u>1,490,610</u>	<u>868,863</u>	<u>1,481,955</u>
<b>Attributable to:</b>					
Equity shareholders		1,083,019	1,490,610	868,863	1,481,955
Basic and diluted earnings per share (Kobo) - <b>From continuing operations</b>	10	<b>62.78</b>	<b>86.40</b>	<b>50.36</b>	<b>85.90</b>

All the profit of the Group is attributable to the Owners of the company as there are no non-controlling interests.

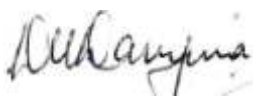
The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated financial statements.



**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION  
AT 31 DECEMBER 2023**

		The Group		The Company	
	Notes	2023 N'000	2022 N'000	2023 N'000	2022 N'000
<b>Assets</b>					
<b>Non current assets</b>					
Property, plant and equipment	12	5,421,064	5,011,271	5,321,048	4,969,007
Intangible assets	13	7,288	11,315	7,143	11,110
Right of use assets		-	738	-	738
Investment in subsidiaries	14	-	-	3,000	3,000
Investment in Joint Venture	16	1,198,555	1,141,559	1,326,886	1,326,886
		<u>6,626,908</u>	<u>6,164,883</u>	<u>6,658,077</u>	<u>6,310,741</u>
<b>Current assets</b>					
Inventories	17	6,508,090	5,342,018	6,430,497	5,228,008
Trade and other receivables	18	1,025,410	1,016,512	894,773	948,166
Other assets	20	2,771,064	2,474,626	2,625,601	2,451,557
Due from related party	19.1-2	67,501	52,432	121,961	82,531
Cash and cash equivalents	21	3,383,363	2,906,797	2,997,678	2,864,683
		<u>13,755,428</u>	<u>11,792,385</u>	<u>13,070,510</u>	<u>11,574,945</u>
<b>Total assets</b>		<u>20,382,336</u>	<u>17,957,268</u>	<u>19,728,587</u>	<u>17,885,686</u>
<b>Equity and liabilities</b>					
Ordinary shares	22	862,617	862,617	862,617	862,617
Share premium	22.2	3,012,065	3,012,065	3,012,065	3,012,065
Retained earnings	23	4,506,915	3,941,466	4,192,193	3,840,900
Asset revaluation reserve	23.2	408,144	408,144	408,144	408,144
		<u>8,789,741</u>	<u>8,224,292</u>	<u>8,475,019</u>	<u>8,123,726</u>
<b>Non-current liabilities</b>					
Loans and borrowings	24.3	1,519,334	2,322,768	1,519,334	2,322,768
Post employment benefits	25.1	32,587	37,409	32,587	37,409
Deferred tax liabilities	9.3	986,482	840,320	971,688	833,721
Deferred fair value gain on loan	27.2	257,110	414,711	257,110	414,711
		<u>2,795,513</u>	<u>3,615,208</u>	<u>2,780,719</u>	<u>3,608,609</u>
<b>Current liabilities</b>					
Loans and borrowings	24.3	5,139,783	3,235,680	5,066,362	3,235,680
Trade and other payables	26	3,200,657	2,177,219	3,023,118	2,039,615
Due to related party	19.2	-	10,161	-	207,052
Current tax liabilities	9.2	299,042	542,992	225,769	519,289
Deferred fair value gain on loan	27.1	157,600	151,715	157,600	151,715
		<u>8,797,082</u>	<u>6,117,767</u>	<u>8,472,849</u>	<u>6,153,351</u>
<b>Total liabilities</b>		<u>11,592,595</u>	<u>9,732,975</u>	<u>11,253,568</u>	<u>9,761,960</u>
<b>Total equity and liabilities</b>		<u>20,382,336</u>	<u>17,957,268</u>	<u>19,728,587</u>	<u>17,885,686</u>

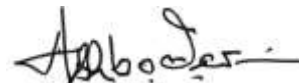
These consolidated financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on **28 March 2024**.



**Daisy Danjuma**  
Chairman  
FRC/2020/003/00000020890



**Patrick Ajah**  
Managing Director (MD-CEO)  
FRC/2021/003/00000023215



**Ayodeji Aboderin**  
Finance Director/ CFO  
FRC/2014/ICAN/00000008270

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital N'000	Share premium N'000	Retained earnings N'000	Asset revaluation reserve N'000	Total N'000
<b>Equity attributable to equity holders - the Group</b>					
<b>At 1 January 2022</b>	<u>862,617</u>	<u>3,012,065</u>	<u>2,988,790</u>	<u>408,144</u>	<u>7,251,252</u>
<b>Changes in equity for 2022:</b>					
Profit for the year	-	-	1,490,610	-	1,490,610
Adjustment on deferred tax	-	-	-	-	-
Right issue in the year	-	-	-	-	-
Dividend declared and paid	-	-	(517,570)	-	(517,570)
	<u>-</u>	<u>-</u>	<u>973,040</u>	<u>-</u>	<u>973,040</u>
<b>At 31 December 2022</b>	<u>862,617</u>	<u>3,012,065</u>	<u>3,941,466</u>	<u>408,144</u>	<u>8,224,292</u>
<b>At 1 January 2023</b>	<u>862,617</u>	<u>3,012,065</u>	<u>3,941,466</u>	<u>408,144</u>	<u>8,224,292</u>
<b>Changes in equity for 2023:</b>					
Profit for the year	-	-	1,083,019	-	1,083,019
Dividend declared and paid	-	-	(517,570)	-	(517,570)
	<u>-</u>	<u>-</u>	<u>565,449</u>	<u>-</u>	<u>565,449</u>
<b>At 31 December 2023</b>	<u>862,617</u>	<u>3,012,065</u>	<u>4,506,915</u>	<u>408,144</u>	<u>8,789,741</u>
<b>Equity attributable to equity holders - the Company</b>					
<b>At 1 January 2022</b>	<u>862,617</u>	<u>3,012,065</u>	<u>2,876,515</u>	<u>408,144</u>	<u>7,159,341</u>
<b>Changes in equity for 2022:</b>					
Profit for the year	-	-	1,481,955	-	1,481,955
Dividend declared and paid	-	-	(517,570)	-	(517,570)
	<u>-</u>	<u>-</u>	<u>964,385</u>	<u>-</u>	<u>964,385</u>
<b>At 31 December 2022</b>	<u>862,617</u>	<u>3,012,065</u>	<u>3,840,900</u>	<u>408,144</u>	<u>8,123,726</u>
<b>At 1 January 2023</b>	<u>862,617</u>	<u>3,012,065</u>	<u>3,840,900</u>	<u>408,144</u>	<u>8,123,726</u>
<b>Changes in equity for 2023:</b>					
Profit for the year	-	-	868,863	-	868,863
Dividend declared and paid	-	-	(517,570)	-	(517,570)
	<u>-</u>	<u>-</u>	<u>351,293</u>	<u>-</u>	<u>351,293</u>
<b>At 31 December 2023</b>	<u>862,617</u>	<u>3,012,065</u>	<u>4,192,192</u>	<u>408,144</u>	<u>8,475,019</u>

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

## CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
	Notes	2023 N'000	2022 N'000	2023 N'000	2022 N'000
<b>Cash flows from operating activities</b>					
Profit for the year		<u>1,083,019</u>	<u>1,490,610</u>	<u>868,863</u>	<u>1,481,955</u>
<b>Adjustment for:</b>					
Depreciation expenses	12	592,565	556,566	562,585	537,506
Amortisation of intangible assets	13	10,938	10,521	10,878	10,461
Finance income	8.1	(383,552)	(231,476)	(375,834)	(231,411)
Finance costs	8.2	290,374	286,034	254,074	285,532
Share of loss in joint ventures	16.2	(56,996)	25,565	-	-
Employment benefit charged	25.1	22,544	17,579	20,512	17,184
Income tax expense	9	290,355	538,299	217,599	512,946
(Profit)/loss on disposal of property, plant and equipment	6	(16,943)	(1,185,438)	(16,943)	(1,185,088)
Impairment on trade and other receivable	18	15,855	81,544	8,471	58,239
		<u>1,848,159</u>	<u>1,589,804</u>	<u>1,550,205</u>	<u>1,487,324</u>
<b>Changes in:</b>					
Increase in Inventories	17	(1,172,984)	(1,753,877)	(1,209,400)	(1,876,428)
Decrease in trade and other receivables	18	(24,753)	67,333	44,922	(342)
Increase in other assets	20	(296,438)	2,458,736	(174,044)	2,457,858
(Increase)/decrease in due from related party	19.1-2	(15,069)	(51,172)	(39,430)	86,799
Right of use of assets	0	738	2,950	738	2,950
Increase in trade and other payables	26	991,804	371,606	951,869	397,164
(Decrease)/increase in due to related party	19.2	(10,161)	(111,796)	(207,052)	85,592
Deferred fair value gain	27.2	(151,716)	(187,187)	(151,716)	(187,187)
Increase in deferred tax	9.3	146,162	55,340	137,967	52,421
<b>Cash generated from/(used in) operating activities</b>		<u>1,315,742</u>	<u>2,441,737</u>	<u>904,059</u>	<u>2,506,151</u>
Tax paid	9.4	(534,305)	(359,288)	(511,119)	(298,757)
Employee benefit paid	25.1	(27,366)	(20,676)	(25,334)	(20,281)
<b>Net cash from/(used in) operating activities</b>		<u>754,071</u>	<u>2,061,773</u>	<u>367,606</u>	<u>2,187,113</u>
<b>Cash flows from investing activities:</b>					
Purchase of property, plant and equipment	12	(1,042,261)	(1,741,610)	(954,530)	(1,706,764)
Purchase of intangible		-	-	-	-
Proceeds on sale of property plant and equipment		56,847	1,219,586	56,847	1,218,490
Finance income		383,552	231,476	375,834	231,411
<b>Net cash used in investing activities</b>		<u>(601,862)</u>	<u>(290,548)</u>	<u>(521,849)</u>	<u>(256,863)</u>
<b>Cash flows from financing activities:</b>					
Repayment of loans and borrowings other than overdraft	24.3	(767,593)	(677,099)	(767,593)	(677,099)
(Repayment)/additions to Import Finance Facility	24.3	1,689,506	(198,550)	1,616,086	(199,475)
Additions to term loans		-	-	-	-
Unclaimed dividend received		31,634	37,200	31,634	37,200
Dividend paid	22	(517,570)	(517,570)	(517,570)	(517,570)
Finance costs	8.2	(290,374)	(286,034)	(254,074)	(285,532)
<b>Net cash (used in)/from financing activities</b>		<u>145,603</u>	<u>(1,642,053)</u>	<u>108,483</u>	<u>(1,642,476)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at 1 January		<u>2,878,801</u>	<u>2,749,629</u>	<u>2,836,687</u>	<u>2,548,911</u>
<b>Cash and cash equivalents at 31 December</b>	21.1	<u>3,176,612</u>	<u>2,878,801</u>	<u>2,790,927</u>	<u>2,836,687</u>
<b>Reconciliation of cash and bank balances to cash and cash equivalents</b>					
Cash and bank balance		3,383,363	2,906,797	2,997,678	2,864,683
Bank overdrafts and commercial papers		(206,751)	(27,996)	(206,751)	(27,996)
		<u>3,176,612</u>	<u>2,878,801</u>	<u>2,790,927</u>	<u>2,836,687</u>

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

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. General information

#### 1.1 Description of business

May & Baker Nigeria Plc. was incorporated as a private limited liability company in Nigeria on September 4, 1944 and commenced business on the same date. It was listed on the Nigerian stock exchange in 1994. The company is involved in the manufacture, sale and distribution of human pharmaceuticals, human vaccines and consumer products. Registered business address is 3/5 Sapara street, Industrial Estate, Ikeja, Lagos, Nigeria.

#### 1.2 Basis of preparation

##### 1.2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements comprise:

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

##### 1.2.2 Going concern status

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

##### 1.2.3 Basis of preparation

The Company maintains the accounting records in accordance with the laws, accounting and reporting regulations of the jurisdictions in which they are incorporated and registered, namely Nigeria.

The consolidated financial statements of the Company are presented in accordance with IFRS.

These consolidated financial statements have been prepared on the historical cost basis except for the revaluation of Land and fair valuation of financial instruments

##### 1.2.4 Functional and presentation currency

These consolidated financial statements are presented in Nigeria Naira (NGN), which is the Company's functional currency. All financial information presented in NGN has been rounded to the nearest thousand unless otherwise stated.

### 2. Adoption of new and revised standards

#### 2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied several amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements. (1). IFRS 7 Insurance contract (2). Amendment to IAS 1 Disclosure of Accounting Policy (3) Amendment to IAS 12. Deferred Tax related to a single transaction



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### **Impact of the initial application of Interest Rate Benchmark Reform**

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2023

Both the Phase 1 and Phase 2 the amendments are not relevant to the Company and the Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

### **2.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2023**

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

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

### **IFRS 17 Insurance contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

In June 2021, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **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 Board; however, earlier application of the amendments is permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023, with early application permitted.

The Directors of the company do not anticipate that the application of the amendments in the future will have an impact on the company’s financial statements.

### **Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract**

The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendment in the future will have an impact on the Company's financial statements.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### **Annual Improvements to IFRS Standards 2018 - 2021 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture**

The Annual Improvements include amendments to four Standards.

#### **IFRS 1 First-time Adoption of International Financial Reporting Standards**

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

#### **IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

#### **IFRS 16 Leases**

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

#### **IAS 41 Agriculture**

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements..

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

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

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. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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 nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

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.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities;
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 , with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

### **3 Significant accounting policies**

The principal accounting policies adopted are set out below.

#### **3.1 Foreign currency translation**

Foreign currency transactions are booked in the functional currency of the Group (naira) at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting period. Exchange differences are included in the Statement of profit or loss and other comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### 3.2 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

### 3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### a) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- I. the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- II. the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- III. the amount of revenue can be measured reliably;
- IV. it is probable that the economic benefits associated with the transaction will flow to the Group;
- and
- V. the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- VI. the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

### b) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.5 Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Manufacturing startup costs between validation and the achievement of normal production are expensed as incurred. Advertising and promotion expenditure is charged to profit or loss as incurred. Shipment costs on inter-company transfers are charged to cost of sales; distribution costs on sales to customers are included in distribution expenditure. Restructuring costs are recognised and provided for, where appropriate, in respect of the direct expenditure of a business reorganisation where the plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken.

### 3.6 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use or sale

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 3.7 Right of use assets

#### 3.7.1 IFRS 16 Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use asset similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.

The company has adopted IFRS 16. However, the company does not have lease liabilities in respect of the leased assets to be treated under this new IFRS. The Company made full payment to the lessor; therefore, the leased assets has been reclassified to right of use to be amortised for the entire period of the lease.

IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes the following Standards and Interpretations:

- a) IAS 17 Leases;
- b) IFRIC 4 Determining whether an Arrangement contains a Lease;
- c) SIC-15 Operating Leases – Incentives; and
- d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3.8 Legal and other dispute

Provision is made for the anticipated settlement costs of legal or other disputes against the Group where an outflow of resources is considered probable and a reliable estimate can be made of the likely outcome. In addition, provision is made for legal or other expenses arising from claims received or other disputes. In respect of product liability claims related to certain products, there is sufficient history of claims made and settlements to enable management to make a reliable estimate of the provision required to cover un-asserted claims.

The Group may become involved in legal proceedings, in respect of which it is not possible to make a reliable estimate of the expected financial effect, if any, that could result from ultimate resolution of the proceedings. In these cases, appropriate disclosure about such cases would be included but no provision would be made. Costs associated with claims made by the Group against third parties are charged to profit or loss as they are incurred.

When the group is virtually certain of receiving reimbursement from a third party ( in the form of insurance, a shared liability agreement etc.) to compensate for any lost financial benefit from such disputes, they should recognise a receivable as an asset.

### 3.9 Pensions and other post-employment benefits

#### Defined contribution scheme

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

In addition to the pension scheme, the Company operates a gratuity scheme payable to employees that have served a minimum of five years of service. The benefits are calculated based on employees salary for each qualifying year. The Company discharges its obligation to employees once payment is made to the fund managers.

### 3.10 Property plant and equipment

Property, plant and equipment is carried in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment.

The cost of acquisition comprises the acquisition price plus ancillary and subsequent acquisition costs, less any reduction received on the acquisition price. The cost of self-constructed property, plant and equipment comprises the direct cost of materials, direct manufacturing expenses, and appropriate allocations of material and manufacturing overheads. Where an obligation exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the related future payments is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

If the construction phase of property, plant or equipment extends over a long period, the interest incurred on borrowed capital up to the date of completion is capitalized as part of the cost of acquisition or construction in accordance with IAS 23 (Borrowing Costs).

Expenses for the repair of property, plant and equipment, such as on-going maintenance costs, are normally recognized in profit or loss. The cost of acquisition or construction is capitalized if a repair (such as a complete overhaul of technical equipment) will result in future economic benefits.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The following depreciation periods, based on the estimated useful lives of the respective assets, are applied throughout the Group:

<b>Class</b>	<b>Useful life (range)</b>
Buildings	50 years
Plant, machinery and fittings	10 - 5 years
Office equipment and furniture	10 - 4 years
Trucks and motor vehicles	8 - 3 years

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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.11 Financial instruments

#### a. Classification and measurement of financial assets

Financial assets, which include both debt and equity securities are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instruments. Debt instruments are measured at amortised cost if both of the following conditions are met and

#### b. Business model assessment

The Group determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the its business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of the group's businesses generate benefits and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of the group's businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.

### 3.12 Financial liabilities

#### Initial recognition and measurements

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

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

#### 3.13 Cash and cash equivalents

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



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3.14 Trade and other receivables

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

### 3.15 Trade and other payables

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

### 3.16 Deferred fair value gain on loans

Deferred fair value gain on loans are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the gains will be received. Deferred fair value gain on loans are recognised in profit or loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the gains are intended to compensate. Specifically, deferred fair value gain on loans whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Deferred fair value gain on loans that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the year in which they become receivable. The benefit of a deferred fair value gain on loans at a below-market rate of interest is treated as a deferred fair value gain on loans, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount recognised as deferred fair value gain on loan is recognised in profit or loss over the year the related expenditure is incurred.

### 3.17 Inventories

In accordance with IAS 2 (Inventories), inventories encompass assets held for sale in the ordinary course of business (finished goods and goods purchased for resale), in the process of production for such sale (work in process) or in the form of materials or supplies to be consumed in the production process or in the rendering of services (raw materials and supplies). Inventories are stated at the lower of cost and net realizable value. The net realizable value is the achievable sale proceeds under normal business conditions less estimated cost to complete and selling expenses.

Costs of inventories are determined on a first-in-first-out basis.

### 3.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 3.18.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated and separate statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 3.18.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate and separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. For any temporary differences arising on business combinations where the Group can control the reversal of the temporary difference and it is not expected to reverse in the near future, the deferred tax asset/liability is not recognised.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3.18 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.19 Discounting

Where the effect of the time value of money is material, balances are discounted to present values using appropriate rates of interest. The unwinding of the discounts is recorded in finance income and finance costs.

### 3.20 Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of their previous carrying amount and fair value less costs to sell if their carrying value is to be recovered principally through a sale transaction rather than through continuing use. The condition of being recovered through sale is only met when: "the sale is highly probable, the non-current asset is available for immediate sale in its present condition, management is committed to the sale and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification."

### 3.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.22 Dividends

Dividends are recognised as a liability in the financial statement in the year in which the dividend is approved by the shareholders.

### 3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

### 3.24 Earnings per share

Earnings per share are calculated by dividing profit for the year by the number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing profit for the year by the fully-diluted number of ordinary shares outstanding during the period.

## 4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4.1 Critical accounting judgement

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **4.1.1 Revenue recognition**

In the application of the Group's policy that states that revenues are recognized when significant risks and rewards has been transferred to the buyer, Management has ensured that revenues are recognised when goods are delivered to Customers. When goods remain in the Company's facility as a result of delayed transportation arrangement by the Customer, the Customers are aware based on practice and signed contract notes that the risks and reward of such goods remain with them.

### **4.1.2 Indefinite useful life of intangible assets**

During the year, the directors reconsidered the recoverability of the Group's intangible asset ( trade mark) and assessed if the useful life is still indefinite, the trademark conveys an irrevocable right of use to the Company. Management's assessment for recoverability includes active sales from the products, competition and current market share of the products, it is believed that the asset is fully recoverable.

### **4.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **4.2.1 Useful life of property, plant and equipment**

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

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

#### **4.2.2 Allowance for doubtful receivables**

Judgement is exercised to make allowance for trade receivables doubtful of recovery by reference to the financial and other circumstances of the debtor in question. The Group makes provision after considering credit terms and historical experience regarding the customers.

#### **4.2.3 Allowance for obsolete inventory**

Management continuously assesses inventory items for obsolescence based on the standard operating practice of the Company.

#### **4.2.4 Fair valuation of loan**

To obtain the fair value of a loan obtained at below market interest rate, the Group used a valuation technique that include inputs that are based on observable market data. Management believes that the key assumptions used in the determination of the fair value are appropriate.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 5. Revenue and costs of sales

#### 5.1 Revenue

The following is an analysis of the Company's and Group's revenue for the year from continuing operations.

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>The Group's revenue comprises sale of goods as analysed below:</b>				
Pharmaceuticals	<b>19,656,484</b>	14,301,724	<b>18,331,226</b>	13,556,348
Beverage	<b>38,980</b>	26,542	<b>38,980</b>	26,542
<b>Total revenue</b>	<b><u>19,695,464</u></b>	<b><u>14,328,266</u></b>	<b><u>18,370,206</u></b>	<b><u>13,582,890</u></b>
<b>5.2 Costs of sales</b>				
Total direct material costs	<b>10,478,457</b>	8,724,610	<b>9,954,495</b>	8,370,881
Total direct labour costs	<b>462,885</b>	324,381	<b>462,885</b>	449,920
Total direct expenses	<b>2,021,051</b>	1,243,997	<b>2,021,051</b>	1,118,458
Total factory overhead expenses	<b>151,838</b>	159,997	<b>151,838</b>	159,997
<b>Total costs of sales</b>	<b><u>13,114,231</u></b>	<b><u>10,452,985</u></b>	<b><u>12,590,269</u></b>	<b><u>10,099,256</u></b>
<b>Gross profit</b>	<b><u>6,581,233</u></b>	<b><u>3,875,281</u></b>	<b><u>5,779,937</u></b>	<b><u>3,483,634</u></b>
<b>Gross margin</b>	<b><u>33%</u></b>	<b><u>27%</u></b>	<b><u>31%</u></b>	<b><u>26%</u></b>

#### 5.3 Segment Information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on both the types of goods or services delivered or provided and the market where the goods or services are delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows.

- Pharmaceuticals** - This segment is involved in the production and sale of human pharmaceuticals.
- Beverage** - This segment is involved in the production of bottled water.



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	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>5.3.1 Segment revenue</b>				
Pharmaceuticals	<b>19,656,484</b>	14,301,724	<b>18,331,226</b>	13,556,348
Beverage	<b>38,980</b>	26,542	<b>38,980</b>	26,542
	<b><u>19,695,464</u></b>	<b><u>14,328,266</u></b>	<b><u>18,370,206</u></b>	<b><u>13,582,890</u></b>
<b>5.3.1.1 Segment revenue reported above represents revenue generated from external customers.</b>				
<b>5.3.2 Segment profit</b>				
Pharmaceuticals	<b>6,575,670</b>	3,872,457	<b>5,774,374</b>	3,480,810
Beverage	<b>5,563</b>	2,824	<b>5,563</b>	2,824
<b>Total segment profit</b>	<b>6,581,233</b>	3,875,281	<b>5,779,937</b>	3,483,634
Other operating income (Note 6)	<b>62,209</b>	1,673,747	<b>62,209</b>	1,670,494
General administration costs, selling and distribution expenses	<b>(5,274,080)</b>	(3,384,653)	<b>(4,739,477)</b>	(3,052,685)
Finance income	<b>383,552</b>	231,476	<b>375,834</b>	231,411
Finance costs	<b>(290,374)</b>	(286,034)	<b>(254,074)</b>	(285,532)
Share of loss of joint venture	<b>56,996</b>	(25,565)	<b>-</b>	-
<b>Profit before tax</b>	<b><u>1,519,536</u></b>	<b><u>2,084,252</u></b>	<b><u>1,224,429</u></b>	<b><u>2,047,322</u></b>

**5.3.3 Segment accounting policies**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of central administration costs and directors' salaries, selling, marketing and distribution expenses, other operating income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**5.3.4 Segment assets and liabilities**

The Chief Executive Officer does not assess segment performance based on reports on segment assets and liabilities.

**5.3.5 Information about major customers**

There are no customers that represent more than 10% of the total revenue of any of the reported segments.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 5.3.6 Geographical information

The Group operates in Lagos and West, East and North principal geographical areas. The Group's revenue from continuing operations from external customers by location of operations are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Revenue from	Revenue from	Revenue from	Revenue from
	external	external	external	external
	customers	customers	customers	customers
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
East	<b>6,310,473</b>	4,599,141	<b>5,873,994</b>	4,315,220
West	<b>4,426,036</b>	3,102,570	<b>4,241,536</b>	2,996,017
Lagos	<b>6,318,386</b>	4,925,521	<b>5,684,657</b>	4,613,695
North	<b>2,640,571</b>	1,701,034	<b>2,570,020</b>	1,657,958
	<b>19,695,466</b>	14,328,266	<b>18,370,207</b>	13,582,890

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>6. Other operating income</b>				
Insurance indemnity (Note 6.1)	<b>44,796</b>	64,273	<b>44,796</b>	64,273
Income on contract manufacturing	<b>(3,780)</b>	4,084	<b>(3,780)</b>	4,084
Rental income(Note 6.2)	<b>4,250</b>	3,200	<b>4,250</b>	3,200
Provision no longer required	-	-	-	-
Exchange gain	-	<b>416,752</b>	-	413,849
Profit on disposal of property, plant and equipment	<b>16,943</b>	<b>1,185,438</b>	<b>16,943</b>	<b>1,185,088</b>
	<b>62,209</b>	1,673,747	<b>62,209</b>	1,670,494

**6.1** Income earned on insurance claim received from HOGG Robinson and BCN insurance broker and other insurance

**6.2** The rental income is earned on warehouse located at Kano and Abuja owned by the Company, which is leased out to other Company as rental

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>7. Expenses by nature</b>				
Personnel expenses	567,217	458,156	551,085	436,438
Depreciation and amortisation	127,621	96,029	124,083	92,434
Repairs and maintenances	93,864	60,296	93,118	57,843
Transport and travelling expenses	130,570	85,350	114,816	84,766
Insurance expenses	67,378	44,402	66,945	37,647
Licensing/registration	51,176	43,224	40,192	35,659
Director's emolument and expenses	133,167	120,208	133,167	120,208
Director's fees	7,750	7,750	7,750	7,750
Public relations, promotions and advertisements	17,369	11,636	11,968	11,436
Subscriptions and dues	31,706	7,657	31,706	7,657
Audit fees	10,989	13,355	10,000	11,500
Legal and professional charges	91,917	55,457	76,870	46,217
Printing, stationery and promotional material	6,698	12,695	5,167	11,739
Security expenses	31,885	29,148	31,885	29,148
Stamp duty	-	2,817	-	2,817
Obsolete stock written off	869	919	-	-
Telephone and postages expenses	12,529	12,539	11,414	11,528
Company Secretary and AGM expenses	15,480	14,105	13,234	14,105
Admin and Management expense	30,086	28,542	30,086	28,542
Electricity and generator expenses	48,123	26,732	48,008	26,731
Bank charges and commissions	56,951	37,230	34,445	21,952
Exchange loss	1,083,107	-	937,217	-
IT expenses	65,932	44,584	65,932	44,584
Office and quarters expenses	25,036	22,586	19,308	12,118
	<b>2,707,420</b>	<b>1,235,417</b>	<b>2,458,396</b>	<b>1,152,819</b>
<b>7.1 Expenses by function</b>				
Costs of sales (Note 5.2)	13,114,231	10,452,985	12,590,269	10,099,256
Distribution, Sales and marketing expenses	2,566,660	2,149,236	2,281,081	1,899,866
Administrative expenses (Note 7)	2,707,420	1,235,417	2,458,396	1,152,819
	<b>18,388,311</b>	<b>13,837,638</b>	<b>17,329,746</b>	<b>13,151,941</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>8. Net finance costs</b>				
<b>8.1 Finance income</b>				
Interest income	<u>(383,552)</u>	<u>(231,476)</u>	<u>(375,834)</u>	<u>(231,411)</u>
<b>8.2 Finance cost</b>				
Deferred income realised (Note 8.1)	(151,715)	(169,038)	(151,715)	(169,038)
Interest on loans and overdraft	<u>442,089</u>	<u>455,072</u>	<u>405,789</u>	<u>454,570</u>
	<u>290,374</u>	<u>286,034</u>	<u>254,074</u>	<u>285,532</u>
<b>8.1</b> This relates to the fair value gain on the CBN and Bank of Industry loan account now realised.				
<b>8.3</b> Included in the amount was Nil (Dec 2022 : Nil) representing interest on loans from related party.				
<b>9. Taxation</b>				
<b>9.1 Income tax expense</b>				
<b>Back duty assessment charge:</b>				
Income tax	-	243,280	-	243,280
Education tax	-	7,901	-	7,901
Capital Gains tax	-	1,705	-	1,705
	-	252,886	-	252,886
<b>Current year charge:</b>				
Income tax	229,455	240,580	165,071	217,501
Education tax	60,827	37,323	52,467	35,053
Policy fund levy	73	106	61	102
Capital Gains tax	-	7,404	-	7,404
NASENI levy	-	-	-	-
	290,355	538,299	217,599	512,946
<b>Deferred tax charged (Note 9.3)</b>	<u>146,162</u>	<u>55,344</u>	<u>137,967</u>	<u>52,421</u>
<b>Total current tax expense</b>	<u>436,517</u>	<u>593,643</u>	<u>355,566</u>	<u>565,367</u>



**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>9.2 Deferred tax on origination and reversal of temporary differences:</b>				
Deferred tax charged (Note 9.3)	146,162	55,344	137,967	52,421
Total deferred tax charge	<u>146,162</u>	<u>55,344</u>	<u>137,967</u>	<u>52,421</u>
<b>Total income tax expense</b>	<u><b>436,517</b></u>	<u><b>593,643</b></u>	<u><b>355,566</b></u>	<u><b>565,367</b></u>
<b>Factors affecting tax expenses for the year</b>				
Profit before tax as shown in the consolidated and separate income statement	<u>1,519,536</u>	<u>2,084,252</u>	<u>1,224,429</u>	<u>2,047,322</u>
Expected income tax expense on profit at statutory tax rate (30%)	455,861	625,276	367,329	614,197
Effect of portion of income taxed on a different basis - education tax	60,827	37,323	52,467	35,053
Capital allowance effect/Adjusting items	(80,171)	(74,513)	73,737	(31,462)
Effect of minimum taxation	-	5,556	-	-
Deferred tax effect	<u>(146,162)</u>	<u>(55,344)</u>	<u>(137,967)</u>	<u>(52,421)</u>
	<u><b>436,517</b></u>	<u><b>593,642</b></u>	<u><b>355,566</b></u>	<u><b>565,367</b></u>
<b>Effective tax rate</b>	<b>29%</b>	<b>28%</b>	<b>29%</b>	<b>28%</b>
No income tax was recognised directly in equity.				
No income tax was recognised in other comprehensive income.				
<b>9.2 Current tax liabilities</b>				
Income tax payable (Note 9.4)	<u>299,042</u>	<u>542,992</u>	<u>225,769</u>	<u>519,289</u>
<b>9.3 Deferred tax balances</b>				
The following is the analysis of the deferred tax assets presented in the consolidated and separate and separate statements of financial position:				
<b>Deferred tax liabilities</b>	<u><b>986,482</b></u>	<u><b>840,320</b></u>	<u><b>971,688</b></u>	<u><b>833,721</b></u>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group				Company			
	Opening balance N'000	Recognised in profit or loss N'000	Other Compreh ensive income N'000	Closing balance N'000	Opening balance N'000	Recognised in profit or loss N'000	Other Compreh ensive income N'000	Closing balance N'000
<b>9.3.1 2023</b>								
<b>Deferred tax liabilities/ (assets)</b>								
<b>in relation to:</b>								
Property, plant and equipment	773,383	125,744	-	899,127	773,570	117,549	-	891,119
Retirement benefit obligations	(204,877)	(6,184)	-	(211,061)	(204,968)	(6,184)	-	(211,152)
Exchange loss (Trade creditor)	(56,789)	13,396	-	(43,393)	(56,788)	13,396	-	(43,392)
Provision for debt on Trade debtor	323,315	13,206	-	336,521	321,907	13,206	-	335,113
	835,033	146,162	-	981,195	833,721	137,967	-	971,688
Adjustment (Note 22.1)	5,287	-	-	5,287	-	-	-	-
	840,320	146,162	-	986,482	833,721	137,967	-	971,688
<b>9.3.2 2022</b>								
<b>Deferred tax liabilities/ (assets)</b>								
<b>in relation to:</b>								
Property, plant and equipment	575,377	198,006	-	773,383	575,564	198,006	-	773,570
Retirement benefit obligations	(204,852)	(25)	-	(204,877)	(204,943)	(25)	-	(204,968)
Recognised on asset revaluation	7,478	(64,267)	-	(56,789)	7,479	(64,267)	-	(56,788)
Provision for doubtful debts	404,609	(81,293)	-	323,316	403,200	(81,293)	-	321,907
	782,612	52,421	-	835,033	781,300	52,421	-	833,721
Adjustment (Note 22.1)	2,368	2,919	-	5,287	-	-	-	-
	784,980	55,340	-	840,320	781,300	52,421	-	833,721

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised.

### 9.4 Income tax

Analysis of movements in the current tax balance during the year:

#### At 1 January

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Income tax	542,992	363,981	519,289	305,100
Education tax	229,455	483,860	165,071	460,781
Policy fund levy	60,827	45,224	52,467	42,954
NASENI levy	73	106	61	102
Capital Gains Tax	-	-	-	-
Tax paid during the year	-	9,109	-	9,109
	(534,305)	(359,288)	(511,119)	(298,757)

#### At 31 December

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
	299,042	542,992	225,769	519,289

#### 9.4.1 Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

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	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>10. Basic earnings per share</b>				
<b>Profit for the year attributable to equity holders</b>	<b>1,083,019</b>	<b>1,490,610</b>	<b>868,863</b>	<b>1,481,955</b>
<b>Earnings from continuing operations</b>	<b>1,083,019</b>	<b>1,490,610</b>	<b>868,863</b>	<b>1,481,955</b>
<b>Number of shares</b>				
Weighted average number of shares for basic earning per share	<b>1,725,234</b>	<b>1,725,234</b>	<b>1,725,234</b>	<b>1,725,234</b>
Effect of dilutive potential share: restricted shares and share options	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Weighted average number of shares for diluted earnings per share	<b>1,725,234</b>	<b>1,725,234</b>	<b>1,725,234</b>	<b>1,725,234</b>
<b>Earnings per share (kobo) - from discontinued operations</b>				
- Basic	<b>62.78</b>	<b>86.40</b>	<b>50.36</b>	<b>85.90</b>
- Diluted	<b>62.78</b>	<b>86.40</b>	<b>50.36</b>	<b>85.90</b>
<b>Earnings per share (kobo)-from continuing operations</b>				
- Basic	<b>63</b>	<b>86</b>	<b>50</b>	<b>86</b>
- Diluted	<b>63</b>	<b>86</b>	<b>50</b>	<b>86</b>
<b>11. Operating profit</b>				
<b>Operating profit has been arrived after charging/(crediting):</b>				
Depreciation and amortisation expenses	<b>592,565</b>	<b>556,566</b>	<b>562,585</b>	<b>537,506</b>
Staff costs	<b>1,265,464</b>	<b>1,032,463</b>	<b>1,186,424</b>	<b>1,007,052</b>
Profit on disposal of property, plant and equipment	<b>16,943</b>	<b>1,185,438</b>	<b>16,943</b>	<b>1,185,088</b>
Audit fees	<b>10,989</b>	<b>13,355</b>	<b>10,000</b>	<b>11,500</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 12. Property, plant and equipment

#### a. The Group

The movement on this account during the year was as follows:

	Freehold land N'000	Building N'000	Plant & Machinery N'000	Furniture & fitting N'000	Computer & office equipment N'000	Trucks & Motor Vehicles N'000	Factory Equipment N'000	Capital work-in- progress N'000	Total N'000
<b>Cost</b>									
At 1 January 2022	334,667	2,616,516	3,667,725	88,123	402,826	962,187	42,108	161,324	8,275,476
Additions	-	19,708	245,268	14,107	67,842	339,345	-	1,055,340	1,741,610
Reclassification	-	26,332	46,130	9,770	168	13,007	-	(95,407)	-
Write off	-	-	-	-	-	-	-	-	-
Disposal	-	(46,285)	(280,145)	(5,190)	(18,016)	(122,675)	(2,403)	-	(474,713)
<b>At 31 December 2022</b>	<b>334,667</b>	<b>2,616,271</b>	<b>3,678,978</b>	<b>106,810</b>	<b>452,820</b>	<b>1,191,864</b>	<b>39,705</b>	<b>1,121,257</b>	<b>9,542,373</b>
<b>At 1 January 2023</b>	<b>334,667</b>	<b>2,616,271</b>	<b>3,678,978</b>	<b>106,810</b>	<b>452,820</b>	<b>1,191,864</b>	<b>39,705</b>	<b>1,121,257</b>	<b>9,542,373</b>
Additions	-	710,934	788,495	23,980	139,258	370,983	-	657,464	2,691,114
Reclassification	-	-	-	-	-	-	-	(1,648,853)	(1,648,853)
Disposals	-	-	(93,102)	-	(1,712)	(198,630)	-	-	(293,444)
<b>At 31 December 2023</b>	<b>334,667</b>	<b>3,327,205</b>	<b>4,374,371</b>	<b>130,790</b>	<b>590,366</b>	<b>1,364,217</b>	<b>39,705</b>	<b>129,868</b>	<b>10,291,190</b>
<b>Depreciation and Impairment</b>									
At 1 January, 2022	-	661,112	2,863,922	73,193	303,914	473,787	39,173	-	4,415,101
Charge for the year	-	47,676	157,640	3,734	45,769	299,868	1,879	-	556,566
Adjustment	-	-	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-	-	-
Disposals	-	(20,162)	(273,376)	(5,026)	(17,832)	(121,856)	(2,314)	-	(440,566)
<b>At 31 December 2022</b>	<b>-</b>	<b>688,626</b>	<b>2,748,186</b>	<b>71,901</b>	<b>331,851</b>	<b>651,799</b>	<b>38,738</b>	<b>-</b>	<b>4,531,101</b>
<b>At 1 January 2023</b>	<b>-</b>	<b>688,626</b>	<b>2,748,186</b>	<b>71,901</b>	<b>331,851</b>	<b>651,799</b>	<b>38,738</b>	<b>-</b>	<b>4,531,101</b>
Charge for the year	-	52,585	180,694	6,129	62,449	289,967	741	-	592,565
Disposals	-	-	(91,443)	-	(883)	(161,214)	-	-	(253,540)
<b>At 31 December 2023</b>	<b>-</b>	<b>741,211</b>	<b>2,837,437</b>	<b>78,030</b>	<b>393,417</b>	<b>780,552</b>	<b>39,479</b>	<b>-</b>	<b>4,870,126</b>
<b>Carrying amounts:</b>									
<b>At 31 December 2023</b>	<b>334,667</b>	<b>2,585,994</b>	<b>1,536,934</b>	<b>52,760</b>	<b>196,949</b>	<b>583,665</b>	<b>226</b>	<b>129,868</b>	<b>5,421,064</b>
<b>At 31 December 2022</b>	<b>334,667</b>	<b>1,927,645</b>	<b>930,792</b>	<b>34,909</b>	<b>120,969</b>	<b>540,065</b>	<b>967</b>	<b>1,121,257</b>	<b>5,011,271</b>

a) Included in the depreciation charged for the year was N126,467,000 (December 2022: N96,029,109) in the administrative expenses, N214,423,000 (December 2022: N236,631,105) in the distribution, sales and marketing and a charge of N265,833,000 (December 2022: N233,907,000) to costs of sales in the statement of profit or loss and other comprehensive income for the Group.

b) There is negative pledge on the Group's assets

c) No impairment of property, plant and equipment during the year.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 12. Property, plant and equipment

#### b. Company

The movement on this account during the year was as follows:

	Freehold land R'000	Building R'000	Plant & Machinery R'000	Furniture & fitting R'000	Computer & office equipment R'000	Trucks & Motor Vehicles R'000	Factory Equipment R'000	Capital work-in- progress R'000	Total R'000
<b>Cost</b>									
At 1 January 2022	334,667	2,616,516	3,653,658	85,998	416,425	895,229	42,108	161,324	8,205,925
Additions	-	19,708	245,268	14,107	52,712	319,629	-	1,055,340	1,706,764
Reclassification	-	26,332	46,130	9,770	168	13,007	-	(95,407)	-
Disposals	-	(46,285)	(277,247)	(4,932)	(18,016)	(122,675)	(2,403)	-	(471,558)
<b>At 31 December 2022</b>	<b>334,667</b>	<b>2,616,271</b>	<b>3,667,809</b>	<b>104,943</b>	<b>451,289</b>	<b>1,105,190</b>	<b>39,705</b>	<b>1,121,257</b>	<b>9,441,131</b>
<b>At 1 January 2023</b>	<b>334,667</b>	<b>2,616,271</b>	<b>3,667,809</b>	<b>104,943</b>	<b>451,289</b>	<b>1,105,190</b>	<b>39,705</b>	<b>1,121,257</b>	<b>9,441,131</b>
Additions	-	710,934	788,495	23,335	138,602	284,553	-	657,464	2,603,383
Transfer	-	-	-	-	-	-	-	(1,648,853)	(1,648,853)
Disposals	-	-	(93,102)	-	(1,712)	(198,630)	-	-	(293,444)
<b>At 31 December 2023</b>	<b>334,667</b>	<b>3,327,205</b>	<b>4,363,202</b>	<b>128,278</b>	<b>588,179</b>	<b>1,191,113</b>	<b>39,705</b>	<b>129,868</b>	<b>10,102,217</b>
<b>Depreciation and Amortisation</b>									
At 1 January, 2022	-	661,112	2,861,232	72,036	306,123	433,098	39,173	-	4,372,774
Charge for the year	-	47,676	157,640	3,734	42,243	284,334	1,879	-	537,506
Disposals	-	(20,162)	(271,187)	(4,805)	(17,832)	(121,856)	(2,314)	-	(438,156)
<b>At 31 December 2022</b>	<b>-</b>	<b>688,626</b>	<b>2,747,685</b>	<b>70,965</b>	<b>330,534</b>	<b>595,576</b>	<b>38,738</b>	<b>-</b>	<b>4,472,124</b>
<b>At 1 January 2023</b>	<b>-</b>	<b>688,626</b>	<b>2,747,685</b>	<b>70,965</b>	<b>330,534</b>	<b>595,576</b>	<b>38,738</b>	<b>-</b>	<b>4,472,124</b>
Charge for the year	-	52,585	179,105	5,968	61,875	262,311	741	-	562,585
Disposals	-	-	(91,443)	-	(883)	(161,214)	-	-	(253,540)
<b>At 31 December 2023</b>	<b>-</b>	<b>741,211</b>	<b>2,835,347</b>	<b>76,933</b>	<b>391,526</b>	<b>696,673</b>	<b>39,479</b>	<b>-</b>	<b>4,781,169</b>

#### Carrying amounts:

<b>At 31 December 2023</b>	<b>334,667</b>	<b>2,585,994</b>	<b>1,527,855</b>	<b>51,345</b>	<b>196,653</b>	<b>494,440</b>	<b>226</b>	<b>129,868</b>	<b>5,321,048</b>
<b>At 31 December 2022</b>	<b>334,667</b>	<b>1,927,645</b>	<b>920,124</b>	<b>33,978</b>	<b>120,755</b>	<b>509,614</b>	<b>967</b>	<b>1,121,257</b>	<b>4,969,007</b>

(a) Included in the depreciation charged for the year was N124,083,217.04 (December 2022: N92,434,000) in the administrative expenses, N186,766,737.55 (December 2022: N221,426,000) in the distribution, sales and marketing and a charge of N265,833,064 (December 2022: N233,907,000) to costs of sales in the statement of profit or loss and other comprehensive income for the Company.

b) There is negative pledge on the assets of the Company (in place).

(c) No impairment of property, plant and equipment during the year.

### 13. Intangible assets

#### Cost:

At 1st January

Additions

At 31 December

Group		Company	
2023	2022	2023	2022
R'000	R'000	R'000	R'000
46,646	46,646	46,381	46,381
6,911	-	6,911	-
<b>53,557</b>	<b>46,646</b>	<b>53,292</b>	<b>46,381</b>
<b>Accumulated amortisation and impairment loss:</b>			
At 1 January	35,331	24,810	35,271
Amortisation charge in the year	10,938	10,521	10,878
<b>At 31 December</b>	<b>46,269</b>	<b>35,331</b>	<b>46,149</b>
<b>Carrying amount</b>	<b>7,288</b>	<b>11,315</b>	<b>7,143</b>

13.1 Included in the depreciation charged for the year was amortisation of N10,878,000 (December 2022 : 10,521,000) in the administrative expenses.

13.2 No impairment of intangible assets during the year

13.3 All intangible assets owned by the Group comes from the Parent company.

(b) This represents cost of Microsoft Navision accounting software purchased and capitalised

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Held by (Units) In thousand	% voting power	Place of Incorporation of operation	Group		Company	
				2023 N'000	2022 N'000	2023 N'000	2022 N'000
<b>14. Investment in subsidiaries</b>							
<b>Carrying amount-at costs</b>							
Osworth Nigeria Limited (Note 14i)	1,000	100%	Nigeria	-	-	1,000	1,000
Servisure Nigeria Limited (Note 14ii)	1,000	100%	Nigeria	-	-	1,000	1,000
Tydropack Nigeria Limited (Note 14iii)	1,000	100%	Nigeria	-	-	1,000	1,000
				-	-	3,000	3,000

i) **Osworth Nigeria Limited:** A Company incorporated in Nigeria in 1st September 2008 and engaged in distribution and sales of healthcare and pharmaceutical products

ii) **Servisure Nigeria Limited:** A Company incorporated in Nigeria on 14th December 2009 and engaged in the distribution and sales of healthcare and pharmaceutical products

iii) **Tydropack Nigeria Limited:** A Company incorporated in Nigeria on 17th December 2009 and engaged in healthcare and industrial packaging.

**15.1.** The Company has control over the three subsidiaries and has consolidated them in the current year.

The investment is represented by one million ordinary shares of N1 each in Osworth Nigeria Limited, Tydropack Nigeria Limited and Servisure Nigeria Limited. The investment is carried at cost.

### Condensed results of consolidated entities

**31 December 2023**

	Parent - May and Baker Nigeria Plc N'000	Osworth Nigeria Limited N'000	Servisure Nigeria Limited N'000	Tydropacks Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
<b>15.2.1 Condensed statement of profit or loss and other comprehensive income</b>							
Revenue	18,370,206	1,449,540	-	-	19,819,746	(124,282)	19,695,464
Cost of sales	(12,590,269)	(648,244)	-	-	(13,238,513)	124,282	(13,114,231)
Gross profit	5,779,937	801,296	-	-	6,581,233	-	6,581,233
Other operating income	62,209	(145,890)	-	-	(83,681)	-	(83,681)
Distribution, sales and marketing expenses	(2,281,081)	(285,579)	-	-	(2,566,660)	-	(2,566,660)
Administrative expenses	(2,458,396)	(100,887)	(1,123)	(1,123)	(2,561,529)	-	(2,561,529)
<b>Operating profit</b>	<b>1,102,669</b>	<b>268,940</b>	<b>(1,123)</b>	<b>(1,123)</b>	<b>1,369,363</b>	<b>-</b>	<b>1,369,363</b>
Finance cost	(254,076)	(36,300)	-	-	(290,376)	-	(290,374)
Finance income	375,834	7,716	-	-	383,550	-	383,552
Share of loss in joint ventures	-	-	-	-	-	56,996	56,996
<b>Profit/(loss) before tax</b>	<b>1,224,427</b>	<b>240,356</b>	<b>(1,123)</b>	<b>(1,123)</b>	<b>1,462,537</b>	<b>56,996</b>	<b>1,519,537</b>
Income tax expenses	(355,566)	(80,951)	-	-	(436,517)	-	(436,517)
<b>Profit/loss after tax</b>	<b>868,861</b>	<b>159,405</b>	<b>(1,123)</b>	<b>(1,123)</b>	<b>1,026,020</b>	<b>56,996</b>	<b>1,083,020</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**31 December 2023**

	Parent - May and Baker Nigeria Plc N'000	Osworth Nigeria Limited N'000	Servisure Nigeria Limited N'000	Tydirpacks Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
<b>15.2.2 Condensed statement of financial position</b>							
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	5,321,048	100,017	-	-	5,421,065	-	5,421,065
Intangible assets	7,143	145	-	-	7,288	-	7,288
Investment in subsidiaries	3,000	-	-	-	3,000	(3,000)	-
Right of use of assets	-	-	-	-	-	-	-
Investment in Joint Venture	1,326,886	-	-	-	1,326,886	(128,331)	1,198,555
	<u>6,658,077</u>	<u>100,162</u>	<u>-</u>	<u>-</u>	<u>6,758,239</u>	<u>(131,331)</u>	<u>6,626,909</u>
<b>Current assets</b>							
Inventories	6,430,497	77,594	-	-	6,508,091	-	6,508,091
Trade and other receivables	894,773	115,423	15,214	-	1,025,410	-	1,025,410
Other current assets	2,625,601	145,462	-	-	2,771,063	-	2,771,063
Due from related parties	121,961	-	-	-	121,961	(54,460)	67,501
Cash and cash equivalents	2,997,678	384,197	25	1,461	3,383,360	-	3,383,360
	<u>13,070,510</u>	<u>722,676</u>	<u>15,239</u>	<u>1,461</u>	<u>13,809,885</u>	<u>(54,460)</u>	<u>13,755,425</u>
<b>Total assets</b>	<u>19,728,587</u>	<u>822,838</u>	<u>15,239</u>	<u>1,461</u>	<u>20,568,124</u>	<u>(185,791)</u>	<u>20,382,334</u>
<b>Equity and liabilities</b>							
Ordinary shares	862,617	1,000	1,000	1,000	865,617	(3,000)	862,617
Share premium	3,012,065	-	-	-	3,012,065	-	3,012,065
Retained earnings	4,192,193	461,631	(7,292)	(12,101)	4,634,431	(128,331)	4,506,099
Fair value reserve	-	808	-	-	808	-	808
Asset revaluation reserve	408,144	-	-	-	408,144	-	408,144
	<u>8,475,019</u>	<u>463,439</u>	<u>(6,292)</u>	<u>(11,101)</u>	<u>8,921,065</u>	<u>(131,331)</u>	<u>8,789,733</u>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Loans and borrowings	1,519,334	-	-	-	1,519,334	-	1,519,334
Post employment benefits	32,587	-	-	-	32,587	-	32,587
Deferred tax liabilities	971,688	14,798	-	-	986,482	-	986,482
Deferred fair value gain on loan	257,110	-	-	-	257,110	-	257,110
	<u>2,780,719</u>	<u>14,798</u>	<u>-</u>	<u>-</u>	<u>2,795,513</u>	<u>-</u>	<u>2,795,513</u>
<b>Current liabilities</b>							
Loans and borrowings	5,066,362	73,420	-	-	5,139,782	-	5,139,782
Trade and other payables	3,023,119	175,791	489	1,260	3,200,659	-	3,200,659
Due to related party	-	22,116	21,042	11,302	54,460	(54,460)	-
Current tax liabilities	225,769	73,275	-	-	299,046	-	299,046
Deferred fair value gain on loan	157,600	-	-	-	157,600	-	157,600
	<u>8,472,850</u>	<u>344,602</u>	<u>21,531</u>	<u>12,562</u>	<u>8,851,547</u>	<u>(54,460)</u>	<u>8,797,087</u>
<b>Total liabilities</b>	<u>11,253,569</u>	<u>359,400</u>	<u>21,531</u>	<u>12,562</u>	<u>11,647,060</u>	<u>(54,460)</u>	<u>11,592,600</u>
<b>Total equity and liabilities</b>	<u>19,728,588</u>	<u>822,839</u>	<u>15,239</u>	<u>1,461</u>	<u>20,568,125</u>	<u>(185,793)</u>	<u>20,382,332</u>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**31 December 2022**

	Parent - May and Baker Nigeria Plc N'000	Osworth Nigeria Limited N'000	Servisure Nigeria Limited N'000	Tydirpacks Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
<b>15.2.3 Condensed statement of profit or loss and other comprehensive income</b>							
Revenue	13,582,890	891,773	-	-	14,474,663	(146,397)	14,328,266
Cost of sales	(10,099,256)	(500,126)	-	-	(10,599,382)	146,397	(10,452,985)
<b>Gross profit</b>	<b>3,483,634</b>	<b>391,647</b>	<b>-</b>	<b>-</b>	<b>3,875,281</b>	<b>-</b>	<b>3,875,281</b>
Other operating income	1,670,494	3,253	-	-	1,673,747	-	1,673,747
Distribution, sales and marketing expenses	(1,899,866)	(249,279)	-	-	(2,149,145)	(89)	(2,149,234)
Administrative expenses	(1,152,819)	(63,767)	(1,133)	(1,671)	(1,219,390)	(16,029)	(1,235,419)
Operating profit	2,101,443	81,854	(1,133)	(1,671)	2,180,494	(16,118)	2,164,375
Net Finance cost	(285,532)	(15,278)	(2)	-	(300,812)	532,286	231,474
Net Finance income	231,411	65	-	-	231,476	(517,512)	(286,036)
Share of loss in joint ventures	-	-	-	-	-	(25,565)	(25,565)
Profit/loss before tax	2,047,322	66,641	(1,135)	(1,671)	2,111,158	(26,909)	2,084,248
Income tax expense	(593,642)	(3,922)	-	-	(597,564)	3,922	(593,642)
<b>Profit/loss after tax</b>	<b>1,453,680</b>	<b>62,719</b>	<b>(1,135)</b>	<b>(1,671)</b>	<b>1,513,594</b>	<b>(22,987)</b>	<b>1,490,607</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**31 December 2022**

	Parent - May and Baker Nigeria Plc N'000	Osworth Nigeria Limited N'000	Servisure Nigeria Limited N'000	Tydirpacks Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
<b>15.2.4 Condensed statement of financial position</b>							
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4,969,007	42,951	-	-	5,011,958	(346)	5,011,612
Intangible assets	11,110	205	-	-	11,315	-	11,315
Investment in subsidiaries	3,000	-	-	-	3,000	(3,000)	-
Right of use of assets	738	-	-	-	738	-	738
Investment in Joint Venture	1,326,886	-	-	-	1,326,886	(185,327)	1,141,559
	<u>6,310,741</u>	<u>43,156</u>	<u>-</u>	<u>-</u>	<u>6,353,897</u>	<u>(188,673)</u>	<u>6,165,224</u>
<b>Current assets</b>							
Inventories	5,228,008	114,010	-	-	5,342,018	-	5,342,018
Trade and other receivables	948,166	308,472	15,214	-	1,271,852	(255,340)	1,016,512
Other assets	2,451,557	28,742	-	-	2,480,299	(5,673)	2,474,626
Due from related party	82,531	-	-	-	82,531	(30,099)	52,432
Cash and cash equivalents	2,864,683	40,629	25	1,461	2,906,798	-	2,906,798
	<u>11,574,945</u>	<u>491,853</u>	<u>15,239</u>	<u>1,461</u>	<u>12,083,498</u>	<u>(291,112)</u>	<u>11,792,386</u>
<b>Total assets</b>	<u>17,885,686</u>	<u>535,009</u>	<u>15,239</u>	<u>1,461</u>	<u>18,437,395</u>	<u>(479,785)</u>	<u>17,957,610</u>
<b>Equity and liabilities</b>							
Ordinary shares	862,617	1,000	1,000	1,000	865,617	(3,000)	862,617
Share premium	3,012,065	-	-	-	3,012,065	-	3,012,065
Retained earnings	3,840,900	324,722	(5,669)	(10,978)	4,148,975	(187,144)	3,961,830
Fair value reserve	-	826	-	-	826	(826)	-
Asset revaluation reserve	408,144	-	-	-	408,144	-	408,144
	<u>8,123,726</u>	<u>326,548</u>	<u>(4,669)</u>	<u>(9,978)</u>	<u>8,435,627</u>	<u>(190,970)</u>	<u>8,244,656</u>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Loans and borrowings	2,322,768	-	-	-	2,322,768	-	2,322,768
Post employment benefits	37,409	-	-	-	37,409	-	37,409
Deferred tax liabilities	833,721	3,680	-	-	837,401	2,923	840,324
Deferred fair value gain on loan	414,711	-	-	-	414,711	-	414,711
	<u>3,608,609</u>	<u>3,680</u>	<u>-</u>	<u>-</u>	<u>3,612,289</u>	<u>2,923</u>	<u>3,615,212</u>
<b>Current liabilities</b>							
Loans and borrowings	3,235,680	-	-	-	3,235,680	-	3,235,680
Trade and other payables	2,039,615	202,476	19,908	11,439	2,273,438	(116,240)	2,157,198
Due to related party	207,052	-	-	-	207,052	(196,891)	10,161
Current tax liabilities	519,289	2,305	-	-	521,593	21,395	542,988
Deferred income	151,715	-	-	-	151,715	-	151,715
	<u>6,153,351</u>	<u>204,781</u>	<u>19,908</u>	<u>11,439</u>	<u>6,389,478</u>	<u>(291,736)</u>	<u>6,097,742</u>
<b>Total liabilities</b>	<u>9,761,960</u>	<u>208,461</u>	<u>19,908</u>	<u>11,439</u>	<u>10,001,767</u>	<u>(288,813)</u>	<u>9,712,954</u>
<b>Total equity and liabilities</b>	<u>17,885,686</u>	<u>535,009</u>	<u>15,239</u>	<u>1,461</u>	<u>18,437,394</u>	<u>(479,783)</u>	<u>17,957,611</u>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 16. Investment in Joint Ventures

This investment is accounted using equity method in these consolidated financial statements.

Details of the Group's material Joint Ventures at the end of the year is as follows:

Nature of Joint Ventures	Principal activities	Place of Incorporation of operation	Held by (Units) In thousand	% voting power
JV Biovaccine Nigeria Ltd	Production, sales and distribution of human vaccines	Nigeria	51,000	51%
			<b>2023</b> <b>₦'000</b>	<b>2022</b> <b>₦'000</b>

#### 16.1

The summarised financial information below represents amounts shown in the Joint Venture's financial statements.

#### Biovaccine Nigeria Limited

Current assets	<b>1,222,057</b>	<b>378,973</b>
Non-current assets	<b>1,682,132</b>	<b>1,571,352</b>
Current liabilities	<b>(859,008)</b>	<b>(16,899)</b>
Non-current liabilities	<b>-</b>	<b>-</b>
<b>The following amounts have been included in the amounts above:</b>		
Cash and cash equivalents	<b>134,969</b>	<b>94,703</b>
Current financial liabilities(excluding trade and other payables and provisions)	<b>(82,835)</b>	<b>(18,506)</b>
Non-current financial liabilities(excluding trade and other payables and provisions)	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>16.2 Revenue</b>			<b>1,345,335</b>	
<b>Cost</b>	<b>-</b>	<b>-</b>	<b>1,342,850</b>	<b>-</b>
Profit/(Loss) from continuing operations	<b>1,267</b>	(50,128)	<b>2,485</b>	(107,836)
<b>Loss for the year</b>	<b>1,267</b>	(50,128)	<b>2,485</b>	(107,836)
<b>Taxation (expenses)/credit for the year</b>	<b>53,895</b>	-	<b>105,676</b>	-
Other comprehensive income for the year	<b>1,833</b>	-	<b>3,595</b>	-
<b>Total comprehensive (loss)/Profit for the year</b>	<b>56,996</b>	(50,128)	<b>2,485</b>	(107,836)
<b>The following amounts have been included in the amounts above:</b>				
Depreciation	<b>(4,280)</b>	(6,882)	<b>(8,392)</b>	(14,928)
Interest income	<b>8,278</b>	9,016	<b>16,231</b>	-
Interest expense	<b>(233)</b>	(5,349)	<b>(457)</b>	(18)
<b>16.2.1 Reconciliation of the summarised financial information to the carrying amount of the interest in the joint venture recognised in the Group's financial statements</b>				
Net assets of the joint venture	<b>2,045,181</b>	1,933,426	<b>843,516</b>	843,516
Proportion of the Group's ownership interest in the joint ventures	<b>51%</b>	51%	<b>51%</b>	51%
<b>Gross amount of the Group's interest in the joint venture</b>	<b>1,043,042</b>	986,047	<b>430,193</b>	430,193
Amount( payable)to/receivable from Biovaccine Nigeria Limited	<b>98,517</b>	181,077	<b>896,693</b>	896,693
Share of accumulated loss from the joint ventures in the year	<b>56,996</b>	(25,565)	<b>-</b>	-
<b>Carrying amount of the Group's interest in the joint venture</b>	<b>1,198,555</b>	1,141,559	<b>1,326,886</b>	1,326,886

**16.2.2** There are no contingent liabilities or capital commitments related to the Group's investment in associates or the joint venture.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>17. Inventories</b>				
Raw materials	1,693,767	2,314,028	1,693,767	2,314,947
Packaging materials	1,676,088	1,253,831	1,676,088	1,253,831
Work-in-progress	185,581	190,405	185,581	190,405
Finished goods	2,563,548	983,958	2,500,219	869,196
Spare parts	221,552	200,557	221,552	200,557
Consumables	167,554	399,239	153,290	399,072
	<b>6,508,090</b>	<b>5,342,018</b>	<b>6,430,497</b>	<b>5,228,008</b>

(a) Inventories value of N6.430 Billion (2022 : N5.342 Billion) were carried at net realisable value. There are no inventories pledge as securities for liabilities.

(b) Inventory written down during the year amounted to N869,000(2022: N919,000).

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>18. Trade and other receivables</b>				
<b>Trade receivables</b>				
Trade receivables (Note 18.1)	1,269,176	1,381,877	1,134,435	1,312,032
Less: allowance for doubtful debts (Note 18.3)	(425,008)	(476,206)	(396,649)	(453,512)
	<b>844,168</b>	<b>905,671</b>	<b>737,786</b>	<b>858,520</b>
<b>Other receivables</b>				
Staff loans and advances	252,422	205,004	227,038	182,721
Withholding tax recoverable	123,810	102,112	105,667	84,961
Refundable deposits to suppliers	1,088	401	401	401
VAT receivable	16,019	16,500	16,019	16,500
Union Dues-Jnr	1,356	1,230	1,356	1,230
ITF and Insurance claim	5,810	3,456	5,810	3,456
	<b>400,505</b>	<b>328,703</b>	<b>356,291</b>	<b>289,269</b>
<b>Less: Allowance for doubtful debts (Note 18.4)</b>	<b>(219,263)</b>	<b>(217,862)</b>	<b>(199,304)</b>	<b>(199,623)</b>
<b>Total other receivables</b>	<b>181,242</b>	<b>110,841</b>	<b>156,987</b>	<b>89,646</b>
<b>Total trade and other receivables</b>	<b>1,025,410</b>	<b>1,016,512</b>	<b>894,773</b>	<b>948,166</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 18.1 Trade receivables

Trade and other receivables disclosed above are carried at cost less allowance for doubtful debts.

The average credit period taken on sales of goods is between 30-45 days. No interest is charged on the overdue receivables. In line with the provisions of IFRS 9 on financial instruments, the Company has developed an impairment matrix on all its trade receivables.

Before accepting any new customer, the company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The internal credit scoring system are constantly reviewed.

The company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the company to the counterparty.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>18.2 Ageing of past due receivables:</b>				
0 - 30 days	158,029	440,012	125,947	457,621
31 - 60 days	289,684	224,450	277,199	197,822
61 - 90 days	231,740	84,815	194,044	71,471
91 - 150 days	148,419	166,273	133,619	131,188
151 - 360 days	109,137	94,572	71,459	82,175
Over 360 days (Note 20.2a)	332,167	371,755	332,167	371,755
<b>Total</b>	<b>1,269,176</b>	<b>1,381,877</b>	<b>1,134,435</b>	<b>1,312,032</b>
	363,357	249,795	363,357	349,795
	-	-	-	-

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>18.3 Movement in the allowance for doubtful debts-trade receivables</b>				
At 1 January	476,206	464,428	453,512	446,800
Impairment charged/(write back) / losses recognised	14,006	11,778	8,471	6,712
Bad debt written off in the year	(65,204)	-	(65,204)	-
<b>At 31 December</b>	<b>425,008</b>	<b>476,206</b>	<b>396,779</b>	<b>453,512</b>

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

### 18.4 Movement in the allowance for doubtful debts-other receivables

At 1 January	217,863	148,096	199,623	148,096
Write off in the year	(449)	-	(449)	-
Impairment charged/(write back) / losses recognised	1,849	69,767	130	51,527
<b>At 31 December</b>	<b>219,263</b>	<b>217,863</b>	<b>199,304</b>	<b>199,623</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 18.5 Receivables from related parties

The group has receivables/payables from related parties. These related parties are not part of the group but they are related in one way or the other. The bulk of these amounts do not arise from trade activities but usually from shared costs and other reimbursable.

	Group		Company	
	2023	2022	2023	2022
	₦'000	₦'000	₦'000	₦'000
<b>19. Related Parties</b>				
<b>19.1 Due from related parties</b>				
Receivable from related parties	<u>67,501</u>	<u>52,432</u>	<u>121,961</u>	<u>82,531</u>
<b>19.2 Due to related party</b>				
<b>Payable to related party:</b>				
Biovaccines Nig. Ltd.      Shared costs      Joint venture	<u>-</u>	<u>10,161</u>	<u>-</u>	<u>207,052</u>

19.3 The aggregate value of transactions and outstanding balances relating to these entities were as follows:

Related Parties	Nature of Transactions	Relationship	Group		Company	
			2023	2022	2023	2022
			₦'000	₦'000	₦'000	₦'000
<b>Receivable from related parties:</b>						
Osworth Trading Co. Ltd.	Shared costs	Subsidiary	-	52,432	22,116	52,432
Servisure Nig. Ltd.	Shared costs	Subsidiary	-	-	21,042	19,920
Tydirpacks Nig. Ltd.	Shared costs	Subsidiary	-	-	11,302	10,179
Biovaccines Nig. Ltd.	Shared costs	Joint venture	67,501	-	67,501	-
		Proposed joint venture	-	-	-	-
Otsuka Nig Ltd	Shared costs		-	-	-	-
<b>Total receivable from related parties:</b>			<u>67,501</u>	<u>52,432</u>	<u>121,961</u>	<u>82,531</u>
<b>Payable to related party:</b>						
Biovaccines Nig. Ltd.	Shared costs	Joint venture	<u>-</u>	<u>10,161</u>	<u>-</u>	<u>207,052</u>
<b>Net related parties amount</b>			<u>67,501</u>	<u>42,271</u>	<u>121,961</u>	<u>(124,522)</u>
<b>20. Other assets</b>						
Advance payment to suppliers (Note 20.1)			2,377,727	2,086,493	2,239,648	2,079,347
Prepayments			362,250	356,916	354,866	341,916
FCMB Security deposit			31,087	31,217	31,087	30,294
			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			<u>2,771,064</u>	<u>2,474,626</u>	<u>2,625,601</u>	<u>2,451,557</u>

20.1 This represents deposit for approved Letters of Credits (LCs) to foreign suppliers.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>21. Cash and cash equivalent as per statement of financial position</b>				
Cash in hand	2,713	110	2,713	110
Cash at bank	981,093	673,875	902,154	631,761
Short term placements (Note 21.2)	2,399,557	2,232,812	2,092,811	2,232,812
<b>Statement of Financial Position</b>	<b>3,383,363</b>	<b>2,906,797</b>	<b>2,997,678</b>	<b>2,864,683</b>
<b>21.1 Bank overdraft used for cash management (Note 24a)</b>	<b>(206,751)</b>	<b>(27,996)</b>	<b>(206,751)</b>	<b>(27,996)</b>
<b>statement of cashflow</b>	<b>3,176,612</b>	<b>2,878,801</b>	<b>2,790,927</b>	<b>2,836,687</b>

### {a} Restricted cash

Included in the short-term deposits above is the unclaimed dividend balance of **N361,431,000** that has been invested in a demand deposit account. Also, included in cash at the bank is cash liened for LC by Sterling Bank **N349,170,827.83** as a collateral

### {b} Reconciliation of cash and bank balance to cash and equivalents.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdraft and commercial acceptances. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>22 Ordinary shares</b>				
1,725,234,886 ordinary shares of 50 kobo each	862,617	862,617	862,617	862,617

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 22.1.1 Minimum issued share capital for existing company – Section 124 of CAMA 2021

In line with the company's regulations of 2021 released by the Corporate Affairs Commission in December 2021, a company that has an unissued shares in its capital shall not later than 31 December 2022 fully issue such shares.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>22.2 Share premium</b>				
<b>At 31 December</b>	<b>3,012,065</b>	<b>3,012,065</b>	<b>3,012,065</b>	<b>3,012,065</b>
<b>23. Retained earnings</b>				
At 1 January	<b>3,941,466</b>	2,988,790	<b>3,840,900</b>	2,876,515
Profit for the year	<b>1,083,019</b>	1,490,610	<b>868,863</b>	1,481,955
Dividend declared and paid	<b>(517,570)</b>	(517,570)	<b>(517,570)</b>	(517,570)
<b>At 31 December</b>	<b>4,506,915</b>	<b>3,941,466</b>	<b>4,192,193</b>	<b>3,840,900</b>
<b>23.1</b> This represent Osworth deferred tax adjustment in prior year now recognize				
<b>23.2</b> All the profit of the Group is attributable to Owners of the Parents as there are no non-controlling interests.				
<b>23.3 Asset revaluation reserve</b>				
<b>At 31 December</b>	<b>408,144</b>	<b>408,144</b>	<b>408,144</b>	<b>408,144</b>
<b>24. Loans and borrowings</b>				
<b>24.1 Secured amounts:</b>				
Bank overdrafts (Note 24.3)	<b>206,751</b>	27,996	<b>206,751</b>	27,996
Current borrowing (Note 24.3)	<b>5,139,783</b>	3,235,680	<b>5,066,362</b>	3,235,680
Non current borrowing (Note 24.3)	<b>1,519,334</b>	2,322,768	<b>1,519,334</b>	2,322,768
<b>Total borrowed fund</b>	<b>6,659,117</b>	<b>5,558,448</b>	<b>6,585,696</b>	<b>5,558,448</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>24.2</b> All the borrowings were obtained in naira, the functional currency of the Group. The principal features of the Company's borrowings are described below:				
<b>24.3 Analysis by maturity:</b>				
<b>Current-due within 1 year as follows:</b>				
Bank overdrafts (Note 24.3.1)	206,751	27,996	206,751	27,996
Term loans - CBN Intervention fund (Note 24.3.2)	665	665	665	665
Short term import facility (Note 24.3.3)	4,128,931	2,439,425	4,055,511	2,439,425
Term loans - BOI Loan 1 (Note 24.3.4.1)	143,635	137,865	143,635	137,865
Term loans - CBN 1 B Loan 1 (Note 24.3.4.2)	482,466	457,178	482,466	457,178
Term loans - CBN 2.5 B Loan 2 (24.3.4.3)	177,335	172,552	177,334	172,552
<b>Total current borrowed fund</b>	<b>5,139,783</b>	<b>3,235,680</b>	<b>5,066,362</b>	<b>3,235,680</b>
<b>Non-current-due after 1 year as follows:</b>				
Term loans - BOI Loan 1 (Note 24.3.4.1)	432,866	576,501	432,866	576,501
Term loans - CBN 1 B Loan 1 (Note 24.3.4.2)	-	482,466	-	482,466
Term loans - CBN 2.5 B Loan 2 (24.3.4.3)	1,086,468	1,263,801	1,086,468	1,263,801
<b>Total non-current borrowed fund</b>	<b>1,519,334</b>	<b>2,322,768</b>	<b>1,519,334</b>	<b>2,322,768</b>
<b>Total borrowed fund</b>	<b>6,659,117</b>	<b>5,558,448</b>	<b>6,585,696</b>	<b>5,558,448</b>
<b>24.5 Movement in borrowings other than overdraft</b>				
At 1 January	5,558,448	4,151,450	5,558,448	4,195,703
(Repayment)/additional loans and borrowings	1,100,669	1,406,998	1,027,248	1,362,745
<b>At 31 December</b>	<b>6,659,117</b>	<b>5,558,448</b>	<b>6,585,696</b>	<b>5,558,448</b>

### Summary of borrowing arrangements

#### 24.3.1 Bank Overdrafts

The Bank Overdrafts are secured by a negative pledge on the Company's assets and their interest rate range from 16.5% and 19%. Bank overdrafts are repayable on demand.

#### 24.3.2 Term Loans - CBN Intervention Fund

The term loan has been completely repaid. However, closure letter has not been received from the bank and the balance was maintained for this reason.

#### 24.3.3 Short term import facility

This represents Import Finance Facility (IFF) lines obtained from 4 Nigerian banks namely: Fidelity Bank Plc FCMB, Sterling Bank and Zenith Bank Plc. The IFF is used to finance the establishment of LCs and/ or bills for collection for the importation of raw materials, spares and machinery. The IFF tenor is 90- 365 days with each Letter of Credit having a 180 day cycle at an average interest rate of 6% pre Neg and 8% post Neg per annum.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 24.3.4.1 CBN/BOI Industrial fund

This represents N850 million Industrial fund obtained from BOI. The loan is for the procurement of items of plant and machinery for the production of Pharmaceutical products (the project). The offer letter was amended from 7 June 2022 to 30 July 2022 with an interest rate of 5% until 31 March 2023 (The rate shall revert back to 9% as for 1 September 2022 until full repayment of the entire loan or any money outstanding). Tenor is 6 years inclusive of 12 months moratorium on principal repayment commencing from date of disbursement. Security is Bank Guaranty on the loan and accruing interest on a continuous basis by FCMB Ltd or any commercial bank acceptable to BOI

### 24.3.4.2 Central Bank of Nigeria (CBN) Loan 1

This represents N1 billion CBN Intervention Funds, via CBN DCRR, obtained through FCMB. The loan is to support the Company's proposed para plant FIRO/NIPRD projects. The tenor is 5 years inclusive of 6 months moratorium on the principal repayment interest rate of 9% per annum (subject to review in line with CBN guideline). Facility repayment will be from the proceeds of the sales and borrower other business activities and any other source(s) available to the bank. Interest rate of 5% per annum and to matured on 31 March 2023. Thereafter, interest will revert to 9% per annum from 1 September 2022.

### 24.3.4.3 Central Bank of Nigeria (CBN) Loan 2

This represents N2.5 billion CBN Intervention Funds, obtained through Fidelity bank Plc. Utilisation is made up of N2 billion which is to be used to finance/expand Company new and existing project (Code name facility type 1). Tenor is 10 year with (1) year moratorium on principal repayment only, while N500million (codename facility type 2), is to be used to augment the company working capital requirement. Tenor is one year/365 days renewed for an extra year and have been fully repaid. Repayment is cash inflows from the Company's daily operations and other sources available to the Company and acceptable to the bank via amortisation on a quarterly basis and fund remitted to the CBN. Interest rate of 5% per annum and to matured on 31 August 2022. Thereafter, interest will revert to 9% per annum from 1 September 2022.

## 25. Post employment benefits

i. The Group operates a contributory pension scheme of 18% where both employer and employee contribute 11% and 7% respectively of Basic, housing and Transport Allowance. Also management put in place retirement benefit (Sweetener and this is discharged by monthly transfer to the Fund Manager ( FBN Capital). However, this is for staff that have been in the employment of the company for a minimum of five (5) years and a long service grant.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>25.1 Statement of financial position</b>				
Retirement Benefit	<b>32,587</b>	37,409	<b>32,587</b>	37,409
<b>25.2 Movement in Retirement Benefit</b>				
At 1 January	<b>37,409</b>	40,506	<b>37,409</b>	40,506
Additional provision in the year	<b>22,544</b>	17,579	<b>20,512</b>	17,184
Benefits remitted/ paid	<b>(27,366)</b>	(20,676)	<b>(25,334)</b>	(20,281)
<b>At 31 December</b>	<b>32,587</b>	37,409	<b>32,587</b>	37,409

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>Group</b>		<b>Company</b>	
<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>

**25.3 The present value of the Retirement benefit**

The amount included in the statement of financial position arising from the Group's obligation in respect of the retirement benefit is as follows:

<b>Post employment benefits</b>	<b>32,587</b>	<b>37,409</b>	<b>32,587</b>	<b>37,409</b>
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With effect from 1 April 2019, the company introduced a new scheme known as 'sweetener'. The new scheme is to be applied at 4% on basic, housing and transport of the staff. This is payable monthly to FBN Quest, the fund administrators.

<b>Group</b>		<b>Company</b>	
<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>

**26. Trade and other payables**

Trade payables (Note 26.1)	<b>2,050,003</b>	1,139,958	<b>1,969,468</b>	1,057,740
Other payables (Note 26.2)	<b>1,150,654</b>	1,037,261	<b>1,053,650</b>	981,875
	<b>3,200,657</b>	<b>2,177,219</b>	<b>3,023,118</b>	<b>2,039,615</b>

**26.1** Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables from the date of the invoice. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

**26.2 Other payables:**

Accruals	<b>671,070</b>	571,650	<b>583,989</b>	520,049
National Housing Fund (Note 26.2.1)	<b>7,226</b>	3,981	<b>6,186</b>	3,981
Nigeria Social & Industrial Training Fund (Note 26.2.1)	<b>4,266</b>	3,375	<b>4,266</b>	3,375
Unclaimed dividends	<b>276,071</b>	244,455	<b>276,071</b>	244,455
Co-operative liabilities	<b>6,071</b>	7,497	<b>5,236</b>	7,497
Distributors Refundable Deposit	<b>841</b>	341	<b>841</b>	341
Revolving Debt & others	<b>52,515</b>	46,081	<b>52,515</b>	43,687
Withholding tax liabilities (Note 26.2.1)	<b>53,907</b>	68,065	<b>52,631</b>	66,673
Pay-As-You-Earn liabilities (Note 26.2.1)	<b>40,357</b>	38,188	<b>38,558</b>	38,188
Staff Welfare Liabilities	<b>10,625</b>	22,377	<b>9,263</b>	22,377
Union Dues	<b>533</b>	1,187	<b>299</b>	1,187
Pension Payable	<b>27,172</b>	30,064	<b>23,795</b>	30,064
	<b>1,150,654</b>	<b>1,037,261</b>	<b>1,053,650</b>	<b>981,874</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**26.2.1** The directors consider that the carrying amount of trade payables approximates to their fair value.

**26.2.1** Statutory liabilities such as VAT, WHT, PAYE, NHF, ITF, NSITF are expected to be settled in line with the relevant laws/regulations setting them up. With the exception of ITF which is payable yearly, the rest are payable monthly.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>27. Deferred fair value gain on loan</b>				
Deferred fair value gain	<b>414,710</b>	566,426	<b>414,710</b>	566,426
<b>Analysis of deferred fair value gain on loan into:</b>				
<b>27.1</b> Current portion	<b>157,600</b>	151,715	<b>157,600</b>	151,715
<b>27.2</b> Non current portion	<b>257,110</b>	414,711	<b>257,110</b>	414,711

**27** These represent the benefit of CBN intervention loan at a below the market rate of interest measured at the difference between proceeds received and the fair value of the loan based on prevailing market interest rate. The day 1 gain has been recognised as deferred income that will be recognised in the profit or loss on a systematic basis over the tenure of the loan with re-measurement gain embedded in it. In the current year N151.7 million was released in the income statement to reduce the finance cost of the loan.

## **28. Guarantees and other financial commitments**

### **Charges on asset**

The bank loans and overdrafts are covered by a negative pledge on the company's assets.

### **Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was Nil (Dec 2022 : Nil).

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements.

## **29. Contingent liabilities**

The company is subject to claims and other liabilities from litigations and legal actions arising from the ordinary course of business. As at 31st December 2023, the contingent liabilities arising from the pending legal claims (**SUIT No AK/25/2022 Pharmacist Adebola Lawal & Anor Vs May and Baker**) and (**CHARGE No MIK/Q/97/2013-COP V Okechukwu Ogbonnaya**) amounted to N50.87million (December 2022, N50.87million). Based on legal advice, the Directors think that the Company has a good defence against the claim and that no material loss is anticipated to arise therefrom

## **30. Related party information**

### **30.1 Identify related parties**

The related parties to the company include:

**Osworth Nigeria Limited** - An wholly owned subsidiary of the Company involved in the distribution of pharmaceutical products.

**Tydispicks Nigeria Limited**- A Company incorporated in Nigeria on 17th December 2009 and engaged in healthcare and industrial packaging.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

**Servisure Nigeria Limited-** A Company incorporated in Nigeria on 14th December 2009 and engaged in the distribution and sales of healthcare and pharmaceutical products

**South Atlantic Petroleum (Sapetro) -** A Company owned by the Chairman, Board of Directors.

**Biovaccines Limited -** Biovaccines Nigeria Limited is yet to commence commercial operations. Transactions on its behalf are mainly in respect of expenses incurred in maintaining its assets and personnel at its old site at Harvey Road, Yaba, Lagos. May & Baker Nigeria Plc therefore maintains an inter-company account with it for such transactions, including balance due to Biovaccines Nigeria Limited from May & Baker Nigeria Plc.

### Key management personnel

The Key management personnel of the Group include its directors (both executive and non-executive) and other identified key management staff.

Senator Daisy E. Danjuma	Non-executive Director
Mr Patrick Ajah	Executive Director- MD/CEO
Mr. Aboderin S. A.	Executive Director CFO
Dr. Rahila Ilegbodu	Non-executive Director
Mr. Kolawole O. Durojaiye	Non-executive Director
Mr. Micheal Odumodu	Non-executive Director
Dr. E. Abebe	Non-executive Director
Chief S. M. Onyishi	Non-executive Director
Mrs. E. Essien	Head Human Capital Development
Mr. G. O Obiakor	Head Internal Control and Compliance
Mr. S. Ajalaye	Head Pharma, Plant Manufacturing Operation.
Mr . O. Emeribe	Head Pharma, Sales & Marketing.

### 30.2 Related party transactions

Balances and transactions between the company and its subsidiaries which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Sales of goods to related parties were made at the group's usual price list. Purchases were made at the market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts due from and to related companies arose from sale and purchase of goods and services.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

There were no significant transactions with other related companies.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 30.3 Related party transactions

The Group's related party transactions are with Osworth Trading Co. Ltd, Servisure Nig. Ltd, Tydipacks Nig. Ltd & Biovaccines Nig.Ltd. On 31 December 2023, the total inter-company balances from the related parties are analysed below:

	Osworth Trading Co. Ltd. N'000	Servisure Nig. Ltd. N'000	Tydipacks Nig. Ltd. N'000	Otsuka Nig. Ltd.	Biovaccines Nig. Ltd. N'000	Total N'000
<b>2023</b>						
Group to the related parties	-	-	-	-	-	-
Related parties balances to the Group	<b>22,116</b>	<b>21,042</b>	<b>11,302</b>	-	<b>67,501</b>	<b>121,961</b>
<b>2022</b>						
Group to the related parties	-	-	-	-	4,571	4,571
Related parties balances to the Group	<b>52,432</b>	<b>19,920</b>	<b>10,179</b>	<b>0</b>	-	<b>82,531</b>

### 30.5 Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
<b>Directors remuneration</b>				
Directors fees	<b>7,750</b>	7,750	<b>7,750</b>	7,750
Salaries and allowances	<b>133,167</b>	120,208	<b>133,167</b>	120,208
	<b>140,917</b>	127,958	<b>140,917</b>	127,958

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>30.6a Staff costs</b>				
The aggregate employee remuneration is as follows:				
Salaries and wages	<b>1,155,754</b>	937,653	<b>1,085,242</b>	918,654
Staff pension and gratuity	<b>109,710</b>	94,810	<b>101,182</b>	88,398
	<b><u>1,265,464</u></b>	<b><u>1,032,463</u></b>	<b><u>1,186,424</u></b>	<b><u>1,007,052</u></b>

### 30.6b Employees remunerated at a higher rates

The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:

<b>N</b>	<b>N</b>				
100,001 - 200,000		<b>1</b>	1	<b>1</b>	1
250,001 - 300,000		-	-	-	-
300,001 - 350,000		-	-	-	-
350,001 - 400,000		-	-	-	-
400,001 - 450,000		<b>35</b>	27	<b>35</b>	27
450,001 - 500,000		<b>24</b>	24	<b>24</b>	24
500,001 - 550,000		<b>7</b>	4	<b>7</b>	3
550,001 - 600,000		-	-	-	-
600,001 - 650,000		-	-	-	-
650,001 - 700,000		<b>15</b>	13	<b>7</b>	6
700,001 and above		<b>282</b>	289	<b>260</b>	272
		<b><u>364</u></b>	<b><u>358</u></b>	<b><u>334</u></b>	<b><u>333</u></b>

The average number of persons in the employment of the Company in the financial year are as follows:

Managerial	<b>23</b>	24	<b>23</b>	23
Senior staff	<b>193</b>	194	<b>163</b>	170
Junior staff	<b>148</b>	140	<b>148</b>	140
	<b><u>364</u></b>	<b><u>358</u></b>	<b><u>334</u></b>	<b><u>333</u></b>

## 31 Financial Instruments

### 31.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its capital structure.

The capital structure of the Group is made up of debts (bank overdrafts, commercial papers and term loans) and equity comprising issued capital, retained earnings and share premium.

The Group is not subject to any externally imposed capital requirements.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Group's risk management team reviews the capital structure periodically. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The risk management team monitors the gearing ratio to ensure its within the Group's targeted level. The current gearing ratio of the Group and Company is as below:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Gearing ratio</b>		
The gearing ratio is as follows:		
<b>Net debt</b>		
Debt	6,659,117	5,558,448
Cash and cash equivalents	(3,383,363)	(2,906,797)
<b>Net debt</b>	<b>3,275,754</b>	<b>2,651,651</b>
<b>Equity</b>		
Ordinary shares	862,617	862,617
Share premium	3,012,065	3,012,065
Retained earnings	4,506,915	3,941,466
	<b>8,381,597</b>	<b>7,816,148</b>
<b>Net debt to equity ratio</b>	<b>39%</b>	<b>34%</b>

Debt is defined as current and non-current borrowings (as described in Note 23).  
Equity includes all capital and reserves of the Group that are managed as capital.

### 31.2.1 Categories of financial instruments-Group

The groups financial assets and financial liabilities as at the reporting date is tabulated below:

	<b>Carrying amount</b>				
	<b>Amortised Cost ₦'000</b>	<b>FVTPL ₦'000</b>	<b>FVTOCI ₦'000</b>	<b>Non- financial ₦'000</b>	<b>Total ₦'000</b>
<b>31 December 2023</b>					
<b>Asset</b>					
Property, plant and equipment	-	-	-	5,421,064	5,421,064
Intangible assets	-	-	-	7,288	7,288
Investment in Joint Venture	-	-	-	1,198,555	1,198,555
Inventories	-	-	-	6,508,090	6,508,090
Trade and other receivables	844,168	-	-	181,242	1,025,410
Other assets	-	-	-	2,771,064	2,771,064
Cash and cash equivalents	3,383,363	-	-	-	3,383,363
	<b>4,227,531</b>	<b>-</b>	<b>-</b>	<b>16,087,303</b>	<b>20,314,834</b>



**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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	Carrying amount			
	Amortised cost N'000	FVTPL N'000	Non- financial N'000	Total N'000
<b>Liabilities</b>				
Loans and borrowings	6,659,117	-	-	6,659,117
Deferred tax liabilities	-	-	986,482	986,482
Trade and other payables	-	-	3,200,657	3,200,657
Current tax liabilities	-	-	299,042	299,042
	<u>6,659,117</u>	<u>-</u>	<u>4,643,781</u>	<u>11,302,898</u>

The Group's financial assets and financial liabilities at the reporting date is tabulated below:

	Carrying amount				
	Amortised Cost N'000	FVTPL N'000	FVTOCI N'000	Non- financial N'000	Total N'000
<b>31 December 2022</b>					
<b>Asset</b>					
Property, plant and equipment	-	-	-	5,011,612	5,011,612
Intangible assets	-	-	-	11,315	11,315
Investment in Joint Venture	-	-	-	1,141,559	1,141,559
Inventories	-	-	-	5,342,018	5,342,018
Trade and other receivables	905,671	-	-	110,841	1,016,512
Other assets	-	-	-	2,474,626	2,474,626
Cash and cash equivalents	<u>2,906,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,906,797</u>
	<u>3,812,468</u>	<u>-</u>	<u>-</u>	<u>14,091,971</u>	<u>17,904,439</u>

	Carrying amount			
	Amortised cost N'000	FVTPL N'000	Non- financial N'000	Total N'000
<b>Liabilities</b>				
Loans and borrowings	5,558,448	-	-	5,558,448
Deferred tax liabilities	-	-	840,320	840,320
Trade and other payables	-	-	2,157,199	2,157,199
Current tax liabilities	-	-	542,991	542,991
	<u>5,558,448</u>	<u>-</u>	<u>3,540,510</u>	<u>9,098,958</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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### 30.2b Categories of financial instruments-the Company

The company's financial assets and financial liabilities as at the reporting date is tabulated below:

31 December 2023	Carrying amount				
	Amortised Cost ₹'000	FVTPL ₹'000	FVTOCI ₹'000	Non- financial ₹'000	Total ₹'000
<b>Asset</b>					
Property, plant and equipment	-	-	-	5,321,048	5,321,048
Intangible assets	-	-	-	7,143	7,143
Investment in subsidiaries	-	-	-	3,000	3,000
Investment in Joint Venture	-	-	-	1,326,886	1,326,886
Inventories	-	-	-	6,430,497	6,430,497
Trade and other receivables	737,786	-	-	156,987	894,773
Other assets	-	-	-	2,625,601	2,625,601
Cash and cash equivalents	2,997,678	-	-	-	2,997,678
	3,735,464	-	-	15,871,162	19,606,626

The Company's financial assets and financial liabilities at the reporting date is tabulated below:

31 December 2022	Carrying amount				
	Amortised Cost ₹'000	FVTPL ₹'000	FVTOCI ₹'000	Non- financial ₹'000	Total ₹'000
<b>Asset</b>					
Property, plant and equipment	-	-	-	4,969,007	4,969,007
Intangible assets	-	-	-	11,110	11,110
Investment in subsidiaries	-	-	-	3,000	3,000
Investment in Joint Venture	-	-	-	1,326,886	1,326,886
Inventories	-	-	-	5,228,008	5,228,008
Trade and other receivables	858,520	-	-	89,646	948,166
Other assets	-	-	-	2,451,557	2,451,557
Cash and cash equivalents	2,864,683	-	-	-	2,864,683
	3,723,203	-	-	14,079,214	17,802,417

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	Carrying amount			Total N'000
	Amortised cost N'000	FVTPL N'000	Non- financial N'000	
<b>Liabilities</b>				
Loans and borrowings	5,558,448	-	-	5,558,448
Deferred tax liabilities	-	-	833,721	833,721
Trade and other payables	-	-	2,039,615	2,039,615
Current tax liabilities	-	-	519,289	519,289
	<u>5,558,448</u>	<u>-</u>	<u>3,392,625</u>	<u>8,951,073</u>

### 31.3. Financial risk management objectives

The company's Corporate Treasury function provides services to the business, co-ordinates foreign exchange transactions, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

### Market risk

The Company's exposure to variations in foreign exchange rate and interest rates are minimal and the Company is not expected to be exposed to these risks at a higher than minimal level.

### 31.4. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is minimal as the Group's borrowing activities are in local currency and trade customers are billed in Naira. Exposure to foreign exchange risk only relates to purchase of operating materials (e.g. raw materials and specialised products) abroad, this is minimised by restricting imports to circumstance where no local alternative exist. The Group makes use of letter of credit facilities to transact with foreign suppliers.

### Exposure to foreign currency

Bank account:

- in US Dollars
- in Euros
- in GBP

Group and Company	
2023	2022
264,788	995,661
3,552	2,772
752	752

The Group is not materially exposed to foreign currency changes as most of trading transactions and borrowing activities are denominated in Naira.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 31.5. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Exposure to credit risk</b>				
Trade receivables	<b>1,269,176</b>	1,381,877	<b>1,134,435</b>	1,312,032
Other receivables	<b>400,505</b>	328,703	<b>356,291</b>	289,269
Cash and cash equivalent	<b>3,383,363</b>	2,906,797	<b>2,997,678</b>	2,864,683
	<b>5,053,044</b>	4,617,377	<b>4,488,404</b>	4,465,984

#### 31.5.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers, additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

#### Collateral and other credit enhancements

The Group does not hold any collateral or other credit enhancements from customers. On a case by case basis the group creates a legal right of offset against any amount owed by the group to the counter party.

#### Concentration risk

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

There are no customers during the current reporting period that represents more than 5% of the total trade receivables.

#### 31.5.2 Other receivables

This is mainly from due from related companies, staff loans, withholding tax recoverable, Sundry debtors and others. The Group's financial controller continuously monitors and reviews the receivables.

#### 31.5.3 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterparty.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Counterparty credit limits are reviewed by the Group's financial controller periodically and may be updated throughout the year subject to approval of the Group's Chief Executive Officer. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

### 32 Liquidity risk management

The Group monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. It also ensures that short term funds are used strictly for working capital purposes while capital projects are funded from long tenured borrowings. Access to sources of funding is sufficiently available.

### 33. Maturity analysis of financial instruments

The maturity profile of the Group's recognized financial instruments is detailed below:

	0-6 months N'000	6 months to 1 year N'000	1 year and above N'000	Total N'000
<b>Group</b>				
<b>2023</b>				
<b>Financial assets</b>				
Trade receivables	679,453	148,419	332,167	1,160,039
Other receivables	2,771,064	-	-	2,771,064
Cash and cash equivalent	3,383,363	-	-	3,383,363
	<u>6,833,880</u>	<u>148,419</u>	<u>332,167</u>	<u>7,314,466</u>
<b>Financial liabilities</b>				
Trade payables	2,050,003	-	-	2,050,003
Other payables	203,513	-	768,854	972,367
Term loans	4,933,032	-	1,519,334	6,452,366
Bank overdrafts	206,751	-	-	206,751
	<u>7,393,299</u>	<u>-</u>	<u>2,288,188</u>	<u>9,681,487</u>
<b>2022</b>				
<b>Financial assets</b>				
Trade receivables	749,277	260,845	371,755	1,381,877
Other receivables	2,474,626	-	-	2,474,626
Cash and cash equivalent	2,906,797	-	-	2,906,797
	<u>6,130,700</u>	<u>260,845</u>	<u>371,755</u>	<u>6,763,300</u>
<b>Financial liabilities</b>				
Trade payables	1,139,958	-	-	1,139,958
Other payables	221,156	-	768,854	990,010
Term loans	3,207,684	-	2,322,768	5,530,452
Bank overdrafts	27,996	-	-	27,996
	<u>4,596,794</u>	<u>-</u>	<u>3,091,622</u>	<u>7,688,416</u>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 33.1 Maturity analysis of financial instruments

The maturity profile of the Group's recognized financial instruments is detailed below:

	0-6 months ₦'000	6 months to 1 year ₦'000	1 year and above ₦'000	Total ₦'000
<b>Company</b>				
<b>2023</b>				
<b>Financial assets</b>				
Trade receivables	597,190	133,619	332,167	1,062,976
Other receivables	2,625,601	-	-	2,625,601
Cash and cash equivalent	2,997,678	-	-	2,997,678
	<u>6,220,469</u>	<u>133,619</u>	<u>332,167</u>	<u>6,686,255</u>
<b>Financial liabilities</b>				
Trade payables	1,969,468	-	-	1,969,468
Other payables	193,590	-	608,798	802,388
Term loans	5,066,136	-	1,519,334	6,585,470
Bank overdrafts	226	-	-	226
	<u>7,229,420</u>	<u>-</u>	<u>2,128,132</u>	<u>9,357,552</u>
<b>2022</b>				
<b>Financial assets</b>				
Trade receivables	726,914	213,363	371,755	1,312,031
Other receivables	2,451,557	-	-	2,451,557
Cash and cash equivalent	2,864,683	-	-	2,864,683
	<u>6,043,154</u>	<u>213,363</u>	<u>371,755</u>	<u>6,628,271</u>
<b>Financial liabilities</b>				
Trade payables	1,057,740	-	-	1,057,740
Other payables	217,370	-	608,798	826,168
Term loans	3,235,454	-	2,322,768	5,558,222
Bank overdrafts	226	-	-	226
	<u>4,510,790</u>	<u>-</u>	<u>2,931,566</u>	<u>7,442,356</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**34 MANAGEMENT ASSESSMENT ON GOING CONCERN**

As a leading pharmaceutical company, we are a strong player in the healthcare industry. Being the first pharma company in Nigeria established on 4 Sept. 1944, we will be marking our 80 years in operation this year and still going strong

We are classified as an essential services entity and enjoy full government support accorded to the healthcare industry and we continue to fully operate our factory to bring out the products needed by the Nigerian populace to battle diseases including our immunity boosters, anti-infectives, anaesthetics, etc

**a. Revenue Assurance and Supply Chain:**

Our business is healthcare and pharmaceutical manufacturing which puts us in a position of opportunity to bring out relevant quality products that people can use to manage diseases. Our group revenue grew by 37% year on year in 2023 from both volume and price increases. We have long-standing, strong relationships with our major suppliers and most are willing to extend trade credit to us for upwards of 60- 90 days to mitigate the impact of sourcing foreign exchange for importation of materials. We continuously monitor market prices for increases by suppliers and competitors and take measures to respond timeously to defend our product margin.

**b. Expansion of product output**

We have recently increased production capacity with the addition of new machines, a herbal plant and water treatment & bottling lines for our beverage business segment. We have also strengthened our distribution capacity with a new sales depot in Abuja

**c. Profitability**

Over the last years, the business has maintained good profitability indices and we believe we can maintain the trend. We are working at reducing the cost of products through investments in backward integration along our supply chain. We are also taking advantage of all opportunities presented at this time including reduced cost of financing through the CBN Intervention funds while managing our overheads and administrative costs. We believe all these will help us to still pull through in delivering profitability for our shareholders as expected.

Considering the above, Management is confident that our going concern status remains strong currently and beyond.

**35. Events after the reporting date**

The Directors are of the opinion that no other event or transaction has occurred since the reporting date, which could have had a material effect on these consolidated financial statements that date or which needs to be mentioned in the consolidated financial statement in the interests of fair presentation of the Group's financial position as at the reporting date or its results for the year then ended.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**36. Major suppliers**

The Company's suppliers are both local and foreign. Some of the Companies major suppliers include:

**LOCAL SUPPLIERS**

1. Poly Products Nigeria Limited
2. The Papon Plastics Company Ltd
3. Mapleleaf Press Limited
4. Jaro Industries Limited
5. Sankil Pharmaceutical Limited
6. Golden Sugar Company Limited
7. Sagar Oversea Limited
8. Jackpak Industries Nig. Ltd.
9. Boden Industries Limited

**FOREIGN SUPPLIERS**

1. Meghmani LLP
2. AAPL Solutions Pvt. Ltd.
3. ACG Pam Pharma Technologies Pvt. Ltd.
4. Shanghai Chengxiang Machinery Co. Ltd.
5. Front Pharmaceutical Plc
6. Inventia Healthcare Ltd
7. Belco Pharma
8. Ruian Hualian Imp.&Exp. Trading Co. Ltd.

**37. Comparative figures**

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

## **Other National Disclosures**

## STATEMENT OF VALUE ADDED

	The Group				The Company			
	2023 ₱'000	%	2022 ₱'000	%	2023 ₱'000	%	2022 ₱'000	%
Revenue	19,695,464		14,328,266		18,370,206		13,582,890	
Other operating income	45,266		488,309		45,266		485,406	
Other gains and losses	16,943		1,185,438		16,943		1,185,088	
	19,757,673		16,002,013		18,432,415		15,253,384	
Bought-in-materials and services:								
- Imported	(11,462,473)		(9,632,738)		(10,512,760)		(8,965,073)	
- Local	(4,824,457)		(2,750,552)		(4,824,457)		(2,750,552)	
Value added	3,470,743	100	3,618,723	100	3,095,198	100	3,537,759	100
<b>Applied as follows:</b>								
<b>To employees:</b>								
Salaries, wages and other benefits	1,265,464	36	1,032,463	29	1,186,424	38	1,007,052	28
<b>To Government:</b>								
Income tax	290,355	8	538,298	15	217,599	7	512,946	14
<b>To pay providers of capital:</b>								
Finance income	383,552	11	231,476	6	375,834	12	231,411	7
Finance cost	(290,374)	(8)	(286,034)	(8)	(254,074)	(8)	(285,532)	(8)
<b>To provide for maintenance of fixed assets:</b>								
- Depreciation and amortization	592,565	17	556,566	15	562,585	18	537,506	15
- Deferred taxation	146,162	4	55,344	2	137,967	4	52,421	1
- Profit and loss account	1,083,019	31	1,490,610	41	868,863	28	1,481,955	42
Value added	3,470,743	100	3,618,723	100	3,095,198	100	3,537,759	100

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



**FIVE YEAR FINANCIAL SUMMARY - GROUP**
**31 DECEMBER**

	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000 Restated
<b>Assets/liabilities</b>					
Property, plant and equipment	5,421,064	5,011,271	3,860,715	3,938,656	3,504,599
Intangible assets	7,288	11,315	21,836	30,473	-
Right of use assets	-	738	3,688	-	-
Investment in Joint Venture	1,198,555	1,141,559	1,167,124	1,200,922	1,237,645
Deposit for investment	-	-	-	-	-
Net current assets	4,958,346	5,674,618	6,494,021	5,363,423	(102,208)
Non current liabilities	(2,795,513)	(3,615,208)	(4,275,767)	(3,793,897)	(1,022,630)
<b>Net assets</b>	<b>8,789,741</b>	<b>8,224,293</b>	<b>7,271,617</b>	<b>6,739,577</b>	<b>3,617,405</b>
<b>Capital and reserves</b>					
Share capital	862,617	862,617	862,617	862,617	490,000
Share premium	3,012,065	3,012,066	3,012,065	3,012,065	1,572,622
Retained earnings	4,506,915	3,941,466	2,988,790	2,456,751	1,554,783
Asset revaluation reserve	408,144	408,144	408,144	408,144	72,000
<b>Shareholders fund</b>	<b>8,789,741</b>	<b>8,224,293</b>	<b>7,271,616</b>	<b>6,739,577</b>	<b>3,689,405</b>
<b>Statement of profit or loss and other comprehensive</b>					
Turnover	19,695,464	14,328,266	11,901,583	9,390,196	8,552,163
Profit before taxation	1,519,536	2,084,252	1,460,377	1,248,326	817,913
Taxation	(436,517)	(593,642)	(410,768)	(283,762)	(475,226)
Profit after taxation	1,083,019	1,490,610	1,049,609	964,564	342,687
<b>Per share data (kobo)</b>					
Earnings- basic	62.78	86.40	60.84	55.91	19.86
Net assets	509.48	476.71	421.49	390.65	209.68

**Notes:**

Earnings per share are based on the profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

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

**FIVE YEAR FINANCIAL SUMMARY - COMPANY**

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000 Restated
<b>Assets/liabilities</b>					
Property, plant and equipment	5,321,048	4,969,007	3,833,151	3,908,706	3,499,352
Intangible assets	7,143	11,110	21,571	30,474	-
Investment in subsidiaries	3,000	3,000	3,000	3,000	3,000
Right of use assets	-	738	3,688	-	-
Investment in Joint Venture	1,326,886	1,326,886	1,326,886	1,326,886	1,326,886
Deposit for investment	-	-	-	-	-
Net current assets	4,597,661	5,421,594	6,243,132	5,286,400	(101,480)
Non current liabilities	(2,780,719)	(3,608,609)	(4,272,087)	(3,789,396)	(1,019,746)
<b>Net assets</b>	<b>8,475,019</b>	<b>8,123,726</b>	<b>7,159,341</b>	<b>6,766,070</b>	<b>3,708,012</b>
<b>Capital and reserves</b>					
Share capital	862,617	862,617	862,617	862,617	490,000
Share premium	3,012,065	3,012,065	3,012,065	3,012,065	1,572,622
Retained earnings	4,192,193	3,840,900	2,876,515	2,483,244	1,645,390
Asset revaluation reserve	408,144	408,144	408,144	408,144	-
<b>Shareholders' fund</b>	<b>8,475,019</b>	<b>8,123,726</b>	<b>7,159,341</b>	<b>6,766,070</b>	<b>3,708,012</b>
<b>Statement of profit or loss and other comprehensive</b>					
Turnover	18,370,206	13,582,890	11,038,948	8,939,033	8,249,947
Profit before taxation	1,224,429	2,047,322	1,234,450	1,187,739	849,786
Taxation	(355,566)	(565,367)	(323,610)	(283,762)	(475,226)
Profit after taxation	868,863	1,481,955	910,840	903,977	374,560
<b>Per share data (kobo)</b>					
Earnings - basic	50.36	85.90	53.00	52.00	22.00
Net assets per share	491.24	470.88	414.98	392.18	214.93

**Notes:**

Earnings per share are based on the profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

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

## MANAGEMENT INFORMATION

### Detailed profit or loss and other comprehensive income account

	Group		Company	
	2023	2022	2023	2022
	₦'000	₦'000	₦'000	₦'000
<b>Costs of sales</b>				
<b>Direct material costs:</b>				
Direct materials	12,312,887	9,811,098	11,788,925	9,457,369
Over head absorptions	(1,834,430)	(1,086,488)	(1,834,430)	(1,086,488)
<b>Total Direct material costs</b>	<b>10,478,457</b>	<b>8,724,610</b>	<b>9,954,495</b>	<b>8,370,881</b>
<b>Direct labour costs:</b>				
Salaries and allowances	318,084	225,566	318,084	225,566
Contributions to pension fund scheme	24,434	21,505	24,434	21,505
Staff gratuity expenses	5,761	4,564	5,761	4,564
Medical expenses	3,371	1,597	3,371	1,597
Factory canteen and other staff expenses	111,235	71,149	111,235	71,149
<b>Total direct labour costs</b>	<b>462,885</b>	<b>324,381</b>	<b>462,885</b>	<b>324,381</b>
<b>Direct expenses:</b>				
Depreciation expenses	265,833	233,907	265,833	233,907
Repairs and maintenance	340,360	174,941	340,360	174,941
Third-party and other expenses	185,213	125,539	185,213	125,539
Fuel, diesel and utility expenses	763,530	615,931	763,530	615,931
Other production direct expenses	466,115	93,679	466,115	93,679
<b>Total direct expenses</b>	<b>2,021,051</b>	<b>1,243,997</b>	<b>2,021,051</b>	<b>1,243,997</b>
<b>Factory overhead expenses:</b>				
Registration and licences expenses	4,816	11,241	4,816	11,241
Research and Development expenses	6,893	4,080	6,893	4,080
Insurance expenses	7,253	21,732	7,253	21,732
Travelling expenses	64,896	53,760	64,896	53,760
Subscription, business registration and dues	-	-	-	-
Stationeries expenses	8,814	980	8,814	980
Laboratory and other factory expenses	59,166	68,204	59,166	68,204
<b>Total factory overhead expenses</b>	<b>151,838</b>	<b>159,997</b>	<b>151,838</b>	<b>159,997</b>
<b>Total costs of sales</b>	<b>13,114,231</b>	<b>10,452,985</b>	<b>12,590,269</b>	<b>10,099,256</b>

## MANAGEMENT INFORMATION

### Detailed profit or loss and other comprehensive income account

	<b>Group</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Administrative expenses</b>				
Salaries and allowances	313,203	252,751	301,388	235,247
Contributions to pension fund scheme	34,006	30,942	33,075	29,485
Staff employee benefit	7,755	6,844	7,354	6,449
Training, recruitment and canteen expense	43,549	40,197	42,794	39,431
Medical expenses	37,050	36,093	36,851	35,935
Ct Third-party and other expenses	131,654	91,329	129,623	89,891
Depreciation expenses	127,621	96,029	124,083	92,434
Repairs and maintenances	93,864	60,296	93,118	57,843
Local and Foreign transport expenses	106,512	73,654	92,153	73,070
Fuel expenses	24,058	11,696	22,663	11,696
Insurance expenses	67,378	44,402	66,945	37,647
Licensing/registration	51,176	43,224	40,192	35,659
Director's emolument and expenses	133,167	120,208	133,167	120,208
Director's fees	7,750	7,750	7,750	7,750
Advert and publicity	2,665	4,105	1,651	4,105
Public relation and social responsibilities	14,704	7,531	10,317	7,331
Subscription and dues	31,706	7,657	31,706	7,657
Audit fees	10,989	13,355	10,000	11,500
Legal and professional charges	91,917	55,457	76,870	46,217
Printing and stationery	6,698	12,695	5,167	11,739
Security expenses	31,885	29,148	31,885	29,148
Telephone and postages expenses	12,529	12,539	11,414	11,528
Obsolete stock written off	869	919	-	-
Company Secretary and AGM expenses	13,234	14,105	13,234	14,105
Administrative and management expense	30,086	28,542	30,086	28,542
Stamp duty	-	2,817	-	2,817
Bank charges and commissions	56,951	37,230	34,445	21,952
Electricity and generator expenses	48,123	26,732	48,008	26,731
Exchange loss	1,083,107	-	937,217	-
Loss on sales of assets	-	-	-	-
IT Expenses	65,932	44,584	65,932	44,584
Office and quarters expenses	25,036	22,586	19,308	12,118
	<b>2,705,174</b>	<b>1,235,417</b>	<b>2,458,396</b>	<b>1,152,819</b>

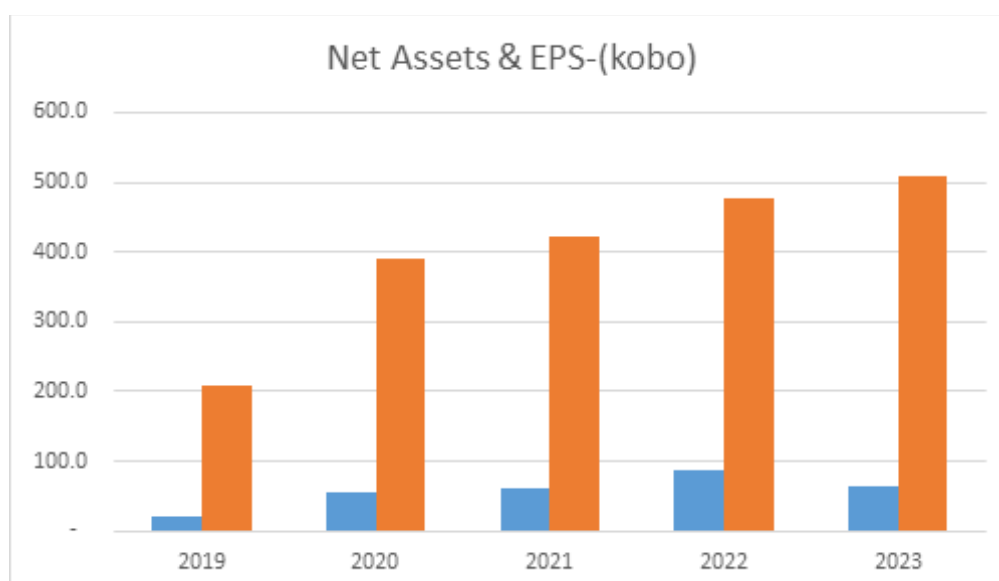
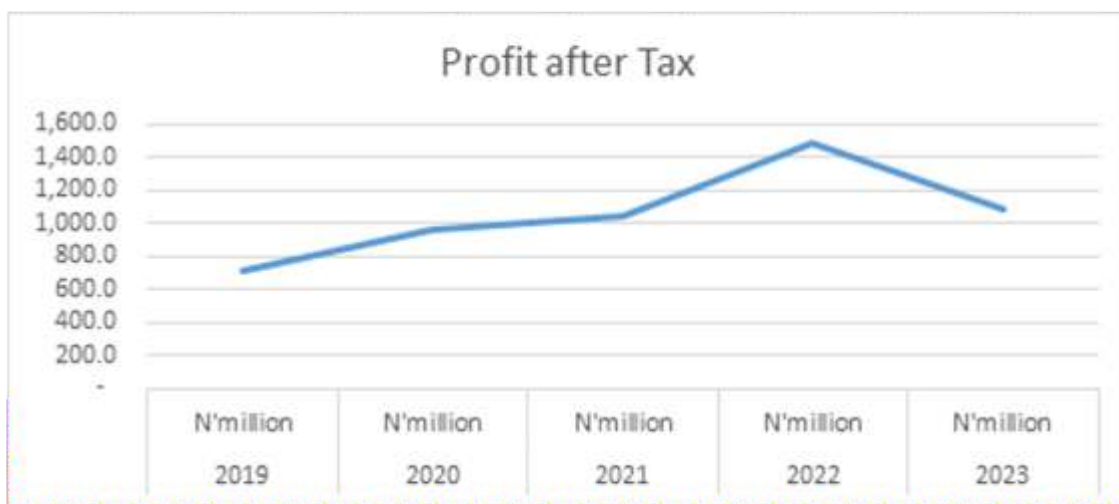
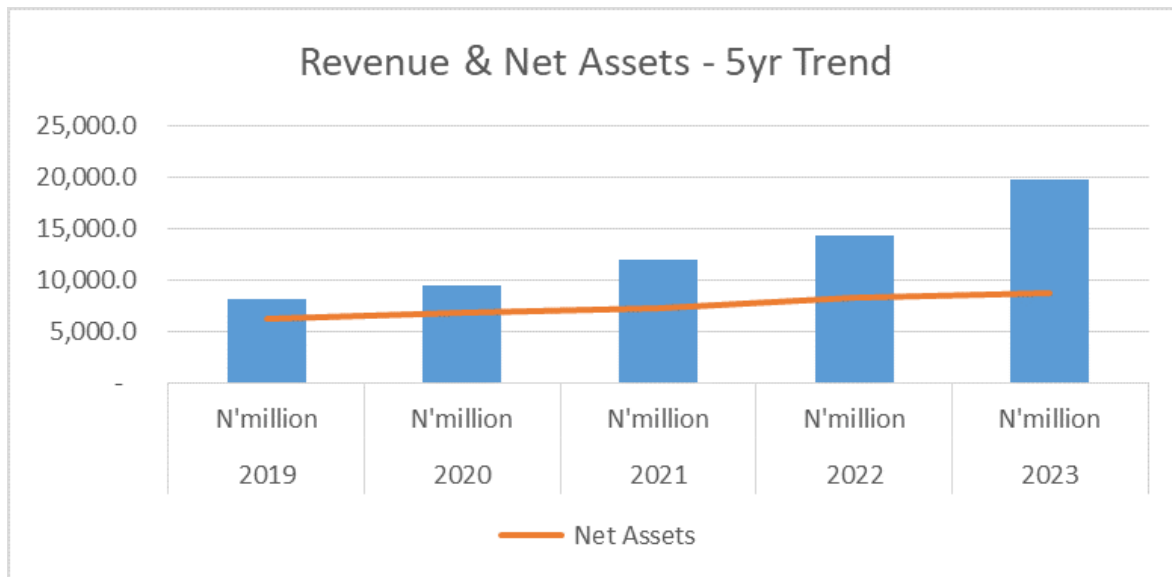
## MANAGEMENT INFORMATION

### Detailed profit or loss and other comprehensive income account

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
<b>Distribution, Sales and marketing expenses</b>				
Salaries and allowances	413,245	320,418	352,748	281,703
Contributions to pension fund scheme	28,726	24,784	23,161	20,224
Employee benefits	9,028	6,171	7,397	6,171
Training, recruitment and canteen expenses	35,346	61,022	31,923	61,022
Medical expenses	2,263	1,629	1,671	1,629
Rent and other expenses	51,371	32,860	16,979	32,130
Depreciation expenses	213,269	236,627	186,767	221,624
Repairs and maintenances	146,713	102,756	129,683	98,126
Fuel, transport and traveling expenses	517,146	308,659	515,341	308,659
Advert and publicity	316,522	328,513	309,040	183,264
Market information	30,429	21,085	30,429	21,085
Incentives and promotion	411,910	345,709	304,927	345,709
Impairment on trade and other receivable	15,985	29,825	8,601	24,665
Marketing expenses	128,192	141,481	125,073	107,450
Depot expenses	51,054	44,113	50,927	44,113
Sampling expenses/free issues	34,146	23,784	27,061	23,784
Telephone and postages	12,468	8,911	11,891	8,911
Sales Reps fixed expenses	22,466	26,959	22,466	26,959
Third-party and other expenses	126,381	83,930	124,996	82,638
	<b>2,566,660</b>	<b>2,149,236</b>	<b>2,281,081</b>	<b>1,899,866</b>



## GRAPHS



## INCORPORATION AND SHARE CAPITAL HISTORY

The company was incorporated on 4<sup>th</sup> September, 1994 as a private company under the name, “May & Baker (West Africa) Limited” and the company became a public company on 13<sup>th</sup> May, 1994.

As at 31<sup>st</sup> December 2023, the company had Authorised share capital of ₦862,617,443 same as paid up capital and made up of 1,725,234,886 shares units of 50kobo each. The initial share capital on incorporation and subsequent changes therein are as follows:-

Date	Authorised (N)	Cumulative	Issued & Fully /Paid-up	Cumulative	CASH/BONUS
	Increase		Increase (N)		
1944	-	50,000	-	10,000	cash
1971	450,000	500,000	-	10,000	
1972	-	500,000	340,000	350,000	Bonus (1for4)+cash
1973	-	585,000	150,000	500,000	cash
1974	-	585,000	84,000	584,000	cash
1976	1,115,000	1,700,000	584,000	1,168,000	Bonus (1for1)
1977	1,000,000	2,700,000	584,000	1,752,000	Bonus (1for2)
1981	-	2,700,000	873,000	2,625,000	cash
1984	-	3,500,000	656,250	3,281,250	Bonus (1for4)
1985	1,500,000	5,000,000	1,640,625	4,921,875	Bonus (1for2)
1989	5,000,000	10,000,000	2,460,937.5	7,382,813	Bonus (1for2)
1990	10,000,000	20,000,000	6,328,125	13,710,938	Bonus (1for7)
1992	30,000,000	50,000,000	1,371,093.5	15,082,031	Bonus (1for10)
1993	-	50,000,000	7,540,234.5	22,622,266	cash
1994	-	50,000,000	22,623,047	45,245,313	cash
1996	50,000,000	100,000,000	22,622,891	67,868,204	cash
2001	-	100,000,000	18,098,312	90,491,560	Bonus (1for3)
2004	100,000,000	200,000,000	10,858,988	108,589,875	Bonus (1for5)
2005	150,000,000	350,000,000	230,551,137	350,000,000	Bonus (1for10)
2006	-	350,000,000	-	350,000,000	cash
2007	150,000,000	500,000,000	-	350,000,000	
2008	-	500,000,000	-	350,000,000	
2009	-	500,000,000	140,000,000	490,000,000	
2010	500,000,000	1,000,000,000	-	490,000,000	Bonus (2for5)
2011	-	1,000,000,000	-	490,000,000	
2012	-	1,000,000,000	-	490,000,000	
2013	-	1,000,000,000	-	490,000,000	
2014	900,000,000	1,900,000,000	-	490,000,000	
2015	-	1,900,000,000	-	490,000,000	
2016	-	1,900,000,000	-	490,000,000	
2017	-	1,900,000,000	-	490,000,000	
2018	1,100,000,000	3,000,000,000	-	490,000,000	
2019	-	3,000,000,000	-	862,617,443	
2020	-	3,000,000,000	-	862,617,443	
2021	-	3,000,000,000	-	862,617,443	
2022	(1,274,765,114)	1,725,234,886	-	862,617,443	Share cancellation
2023	-	1,725,234,886	-	862,617,443	

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\* If symptoms persists after two days consult your doctor



**May & Baker Nig. Plc**

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(Opposite Covenant University), Ota, Ogun State, Nigeria

+234 (1) 2121290-1, 0800 6292 632 2537

<http://www.may-baker> [info@may-baker.com](mailto:info@may-baker.com)



**MAY & BAKER NIGERIA PLC**

## Unclaimed Dividend

Shareholders who have not received dividend for previous years are advised to check with Veritas Registrars Limited.

A comprehensive list has been uploaded on the company's website and is accessible at [www.may-baker.com](http://www.may-baker.com) and will also be available at the AGM venue

Plot 89A, Ajoye Adeogun Street,  
Victoria Island Extension, Lagos.  
P. O. Box 75315, Victoria Island, Lagos.  
Tel: 2708930-4, 2793873, 2716116.

E-mail: [enquiry@veritasregistrars.com](mailto:enquiry@veritasregistrars.com)  
Website: [veritasregistrars.com](http://veritasregistrars.com)





## · Proxy Card

### ANNUAL GENERAL MEETING

To be held at the Muson Centre, Onikan,  
Lagos on Thursday, 6<sup>th</sup> June, 2024 at 11.00 a.m.

I/We .....	Number of shares held		
of .....	<b>RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
being a member/members of MAY & BAKER NIGERIA PLC hereby appoint	To declare a dividend.		
.....	To elect Mr. M.C. Odumodu		
.....	To re-elect Senator D. Danjuma		
.....	To re-elect Mr. K.O. Durojaiye		
or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my /our behalf at the Annual General Meeting of the Company to be held on Thursday, 6 <sup>th</sup> June, 2024.	To fix the remuneration of Directors.		
Dated ..... day of..... 2024	To appoint External Auditors & authorise the Directors to fix their remuneration.		
Shareholder's Signature .....	To elect members of the Audit Committee.		
Please indicate with an "X" in the appropriate square how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.			

## NOTES

A shareholder who is unable to attend the Annual General Meeting is entitled by law to vote, on a poll by proxy. To be valid for the purpose of the meeting this form of proxy must be completed, signed and deposited at the office of the Registrars, Veritas Registrars Limited, Plot 89 Ajose Adeogun Street, Victoria Island Extension, Lagos not later than 48 hours before the time of the meeting. A proxy need not be a member of the Company.

If executed by a corporation the proxy card should be sealed with its common seal

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Before posting the above form, please tear off this part and retain it for admission to the meeting.

***ADMISSION FORM  
MAY & BAKER NIGERIA PLC***

***ANNUAL GENERAL MEETING***

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS FORM OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING TO BE HELD AT THE MUSON CENTRE, ONIKAN, LAGOS ON THURSDAY, 6<sup>TH</sup> JUNE, 2024 AT 11.00 A.M.

Name of Shareholder:

Number of Shares:

Signature of person attending

*Note:* You are requested to sign this form at the entrance in the presence of the Registrars or their nominees on the day of the Annual General Meeting.

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**May & Baker Nig. Plc**

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