

FIDSON HEALTHCARE PLC

Financial Statements

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

FIDSON HEALTHCARE PLC

Financial Statements

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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FIDSON HEALTHCARE PLC

Statement of Profit or Loss and Other Comprehensive Income FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	NOTES	30/09/2016 N'000	30/09/2015 N'000	31/12/2015 N'000
REVENUE	1	4,527,004	6,160,874	8,210,760
COST OF SALES	2	2,141,075	2,895,611	3,858,896
GROSS PROFIT		2,385,929	3,265,263	4,351,864
OTHER OPERATING INCOME		10,104	23,033	132,939
OTHER OPERATING EXPENSES	3	(51,290)	(56,680)	(23,635)
ADMINISTRATIVE EXPENSES	4	(1,330,705)	(1,566,905)	(2,037,327)
SELLING & DISTRIBUTION EXPENSES	5	(432,382)	(562,916)	(868,844)
FINANCE COSTS	6	(460,958)	(405,497)	(716,958)
PROFIT BEFORE TAX		120,698	696,298	838,039
INCOME TAX EXPENSE		(38,623)	(222,815)	(93,661)
PROFIT FOR THE PERIOD		82,075	473,483	744,378
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX		-	-	39,169
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		82,075	473,483	783,547
EARNINGS PER SHARE (KOBO) BASIC & DILUTED		5	32	50

FIDSON HEALTHCARE PLC

Statement of Financial Position FOR THE PERIOD ENDED 30 SEPTEMBER 2016

		30/09/2016 N'000	30/09/2015 N'000	31/12/2015 N'000
	NOTES			
Assets				
Non-Current Assets				
Property, plant and equipment		11,964,742	11,178,845	11,501,335
Investment Property	7	36,570	37,412	37,183
Intangible asset	8	19,677	14,137	11,016
Available for sale	9a	2,810	3,682	2,810
Other Non-Current Financial Asset	10	621,387	476,998	506,201
Total Non-Current Assets		12,645,186	11,711,074	12,058,545
Current assets				
Inventory	11	757,233	797,100	697,502
Trade and other receivables	12	1,965,841	3,830,785	3,779,824
Prepayment	13	8,654	83,617	12,078
Cash and cash equivalent	14	646,592	62,751	122,376
Total Current Assets		3,378,320	4,774,253	4,611,780
Total Assets		16,023,506	16,485,327	16,670,325
Liabilities and Equity				
Non-Current Liabilities				
Interest Bearing Loans and borrowings long term	15a	3,168,218	2,865,234	2,600,218
Obligation under finance lease due after one year	16	267,434	235,012	161,698
Retirement benefit obligations	23	341,926	374,095	377,776
Government Grant	17	212,691	261,591	212,691
Deferred revenue	18	5,000	-	5,000
Deferred tax liabilities	19b	342,566	452,549	342,567
Total Non Current Liabilities		4,337,835	4,188,481	3,699,950

Current Liabilities

Trade and other payables	20	3,658,656	4,316,947	4,212,210
Interest Bearing Loans and borrowings	15b	504,382	598,779	1,157,741
Bank Overdraft	22	479,910	538,640	442,177
Other financial liabilities	21	65,000	65,000	65,000
Obligation under finance lease due within one year	16	90,206	38,183	218,435
Government Grant	17	59,616	57,532	60,782
Deferred revenue	18	2,000	-	2,000
Income tax payable	19a	318,421	220,186	440,991
Unclaimed dividend	24	62,954	-	47,211
Total Current Liabilities		5,241,144	5,835,267	6,646,547

Total Liabilities

9,578,979 **10,023,748** **10,346,497**

Equity

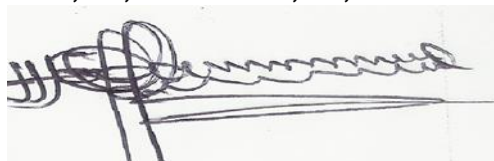
Issued capital	25a	750,000	750,000	750,000
Share premium	25b	2,973,043	2,973,043	2,973,043
Retained earnings	25c	2,723,118	2,739,299	2,602,420
Available for sales reserve	26	(1,635)	(763)	(1,635)
Equity attributable to shareholders		6,444,526	6,461,579	6,323,828

Total Equity

6,444,526 **6,461,579** **6,323,828**

Total Liabilities and Equity

16,023,505 **16,485,327** **16,670,325**

**Managing Director**

Fidelis Ayebae

FRC/2014/CIANG/00000002376

Chief Financial Officer

Oludare Adanri

FRC/2013/ICAN/00000002164

FIDSON HEALTHCARE PLC

Statement of Change in Equity FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Share Capital	Share Premium	Available for Sale Fin. Assets	Retained Earnings	Total Equity
Balance as at Beginning of the Prior Year	750,000	2,973,043	(763)	2,043,001	5,765,281
Profit for the year	-			744,378	744,378
Other comprehensive Income for the year			(872)	40,041	39,169
Total Comprehensive Income			(872)	784,419	783,547
Payment of Dividends				(225,000)	(225,000)
Balance as at End of the Prior Year	750,000	2,973,043	(1,635)	2,602,420	6,323,828
Profit for the year				120,698	120,698
Other comprehensive income for the year					
Total Comprehensive Income			-	120,698	120,698
Dividend					
Balance as at End of the Current Year	750,000	2,973,043	(1,635)	2,723,118	6,444,526

FIDSON HEALTHCARE PLC

Statement of Cash Flows FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	30/09/16 N'000	30/09/15	31/12/15 N'000
Operating activities:			
Profit before tax from continuing operations	120,698	696,298	838,039
Non cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and impairment of Property Plant and Equipment	166,852	225,015	258,927
(Impairment reversal)/ Loss		-	(32,704)
Gain/Loss on disposal of Asset	-	-	11,421
Inventory Write-off	30,391	35,580	12,214
Provision for doubtful debt	-	141,883	-
Depreciation and impairment of Investment Property	688	688	918
Grant Income	-	-	(45,651)
Ammortisation and impairment of Intangible Assets	11,394	18,108	22,383
Gain on disposal of available for for sale assets			
Finance Income	(10,104)	(23,033)	(25,787)
Finance Costs	460,958	405,497	716,958
Employee benefit expense	35,850	-	57,322
Changes in operating assets and liabilities:			
(Increase) / Decrease in trade and other receivables	1,465,899	(643,314)	(559,649)
Decrease /(Increase) in prepayments	3,424	33,630	105,169
Decrease /(Increase) in Inventories	(59,731)	348,440	435,824
Increase/ (Decrease) in government grant	-	-	
Increase / (Decrease) in Trade and other payables	(523,554)	519,622	432,590
Movement in deferred revenue	-		2,000
	1,702,765	1,758,414	2,229,974
Income tax paid	(122,570)	-	

Benefits paid	-		(14,145)
Movement in deferred revenue	-		5,000
Net cash flow from Operating activities	1,580,195	1,758,414	2,220,829
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	(510,195)	(590,815)	(773,912)
Addition to Intangible Assets	(20,053)	(9,805)	(10,960)
Proceeds from disposal of available for sale financial assets	-	21,057	
Interest income received	10,104	23,033	
Addition to loans and receivables	(142,510)		(411,268)
Addition to held to maturity		(234,953)	
Proceeds on loans and receivables	-		423,500
Proceeds from sale of property, plant and equipment	104,685	2,812	2,987
Investment in other financial assets	27,324	-	(628,370)
Liquidation of investment in Other financial asset		21,965	398,826
Net cash (utilised)/ provided by investing activities	(530,645)	(766,706)	(999,197)
Cash flows from financing activities			
Payments of finance lease liabilities	(128,229)	(153,648)	(148,709)
Interest paid on loans & Borrowings	(460,958)	(405,497)	(716,958)
Dividend paid		(45,000)	(225,000)
Refund of Dividend	15,743	-	47,211
Proceed from loans & borrowings	705,736	108,000	
Loan Repayment	(685,359)	(741,966)	(268,491)
Proceed from bond issued		-	-
Cost of issue of bond		-	
Net cash (utilised)/ provided by financing activities	(553,067)	(1,238,111)	(1,311,947)
Net (decrease)/ increase in cash & cash equivalents	496,483	(246,403)	(90,315)
Cash & cash equivalent at 1 Jan	(319,801)	(229,486)	(229,486)
Cash & cash equivalent at 30th September	176,682	(475,889)	(319,801)

FIDSON HEALTHCARE PLC

Notes to the Financial Statements FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	30/09/2016	30/09/2015	31/12/2015
	N'000	N'000	N'000
Revenue			
1 Over The Counter(OTC)	2,755,380	4,104,954	5,283,404
Ethical	1,638,669	2,055,920	2,774,703
Consumer	78,611	-	152,653
	4,472,660	6,160,874	8,210,760
2 Cost of Sales			
Over The Counter(OTC)	1,287,293	1,975,048	2,446,316
Ethical	695,555	920,562	1,299,073
Consumer	58,227	-	113,507
	2,041,075	2,895,611	3,858,896
3 Other Operating Expenses			
Corporate Social Responsibility	17,149	9,605	
Inventory Write off	30,391	35,580	
Gift and Donation	3,750	11,495	
	51,290	56,680	
4 Administrative Expenses			
Salaries	363,049	393,877	
Depreciation & Amortisation	166,852	225,015	
Audit Fee	8,625	7,875	
Travelling	302,142	349,796	

Bad Debt	38,450	141,883
Diesel & Fuel	85,109	50,442
Consultancy	4,763	73,039
Repairs & Maintenance	184,903	152,569
Others	197,761	172,409
	1,351,654	1,566,905

129,896

5 Selling & Distribution Expenses

Promotion and advertisement	189,791	107,411
Institutional promotion	23,278	16,861
Sales expense	77,786	290,424
Logistic Expenses	141,527	148,220
	432,382	562,916

6 Finance Costs

Interest on Bank Loan	460,958	405,497
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7 Investment Property

	SEPTEMBER, 2016	SEPTEMBER, 2015	DECEMBER, 2015
	N'000	N'000	N'000
Ecomed			
Cost at beginning	48,301	48,301	48,301
Additions	-	-	
Cost at end of year	48,301	48,301	48,301
Accumulated depreciation at beginning	(11,119)	(10,201)	(10,200)
Charge for the period	(612)	(688)	-918
Carring amount	36,570	37,412	37,183

8 Intangible assets

Product licences			
Cost at beginning of year	51,248	40,288	54,369
Cost capitalised	20,054	9,805	10,960
Derecognition of licences no longer in use	-	-	
Cost at end of month	<u>71,302</u>	<u>50,093</u>	<u>65,329</u>
Amortisation at beginning of year	40,231	17,848	31,930
Amortisation	11,394	18,108	22,383
Derecognition of licences no longer in use	-	-	
Amortisation at end of month	<u>51,625</u>	<u>35,956</u>	<u>54,313</u>
Carrying value	<u>19,677</u>	<u>14,137</u>	<u>11,016</u>

9 Financial Assets

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

Available-for-sale financial assets	2,810	3,682	2,810
Loans & receivables	<u>171,994</u>	<u>271,655</u>	<u>29,484</u>
	<u>174,804</u>	<u>275,337</u>	<u>32,294</u>

The following table compares the fair values of the financial instruments to their carrying values:

Available -for-sale financial assets

Quoted Equity

Zenith Bank Plc	<u>2,810</u>	<u>3,682</u>	<u>2,810</u>
Total available-for-sale financial assets	<u>2,810</u>	<u>3,682</u>	<u>2,810</u>

b Loans and receivables

Investment with Cardinalstone Partners

At 1 January	29,484	-	36,702
Additions	677,352	-	411,268
Proceeds	(534,842)	-	(423,500)
Interest accrued	-	-	5,014

171,994**-****29,484**

CardinalStone Partners Limited is the portfolio management and custodial service provider for the company towards meeting its payment on the bond. The company on a weekly.

basis remits money to CardinalStone Partners Limited. CardinalStone Partners Limited is however to disburse funds on monthly basis into the transition account maintained by

the Bond Trustee (ALM Trustees)

10**Other Non-Current Financial Asset (ALM Trustees)**

At 1 January	476,717	-	226,400
Additions	598,337	205,343	628,370
Proceeds	(625,661)		(398,826)
Accrued Interest	-		20,773
	449,393	205,343	476,717

-

ALM Trustee are the Bond Trustees for the issuance of N2bn bond by Fidson(issuer). Under the bond agreement, the issuer is required to fund a reserve account with an amount

equal to the interest payable on the next payment date. Thereafter, upon the expiration of the moratorium period the issuer shall fund the reserve account on the first business

day of each month with an amount equal to 1/6th of the principal payable on the next payment date. The fund is investible by the Bond Trustee and the issuer is restricted from

assessing the fund including the accrued interest throughout the 5 year life of the Bond.

11**Inventories**

Finished goods	63,623	252,140	404,464
Goods in transit	269,413	35,187	6,764
Raw & Packaging Materials	420,461	334,522	284,837
Work in progress	3,736	175,251	1,437
	757,233	797,100	697,502

12**Trade and other receivables****a**

Receivables from related parties

Trade receivables (b)	1,674,314	3,545,577	3,595,173
Other receivables (c)	291,527	285,208	184,651
	1,965,841	3,830,785	3,779,824

		Individually Impaired
At 1 January 2016	433,786	466,489
Charge for the Period	(8,521)	115,174
Write off	-	-
At 31 August 2016	425,265	581,663

C Other receivables			
Withholding tax receivables	174,419	160,080	164,042
Value added tax	260	260	260
Sundry debtors and Staff loans	116,848	124,868	20,349
	291,527	285,208	184,651

13 Prepayment

Advance to suppliers	8,654	83,617	-
Other prepayments			12,078
	8,654	83,617	12,078

This represents advances made to suppliers for the purchase of factory equipment. Other prepayments include prepaid advert, prepaid insurance and prepaid rent.

14 Cash and cash equivalents

Cash at hand	17,616	654	27
Bank	618,747	60,296	172,713
Short-term deposits(including demand and time deposits)	10,229	1,801	31,414
Total cash and cash equivalents	646,592	62,751	204,154

15 Interest Bearing Loans and borrowings

a Interest Bearing Loans and borrowings (Non-Current Portion)

Access Bank (CBN Intervention Loan)	175,003	212,736	175,003
Guaranty Trust Bank	-	-	-
First City Monument Bank	-	-	-

Bank of Industry	1,446,309	829,683	846,309
Bond to Investors	1,467,188	1,694,108	1,467,188
Fidelity Bank (FPL)	79,718	128,706	79,718
	3,168,218	2,865,233	2,568,218

b Interest Bearing Loans and borrowings(Current Portion)

Access Bank (CBN Intervention)	302	(4,392)	37,733
Guaranty Trust Bank	-	-	-
First City Monument Bank (Term Loan)	-	-	-
Bank of Industry	54,894	149,825	174,846
Bond to Investors	226,919	228,135	476,920
Fidelity Bank	2,583	6,620	54,583
Short term borrowings (a)	219,683	218,591	445,659
	504,382	598,779	1,189,741

a Short term borrowings is as follows:

Other Creditors		
GTB short term loan	0	-
GTB IFF	50,000	(41,219)
Access IFF	104,640	-
FCMB Bankers Acceptance	29,146	141,147
FSDH IFF	35,897	56,897
	219,683	156,825

16 Obligation under finance lease due after 1 year

The company has entered into commercial leases on certain motor vehicles. These leases have an average life of between three

and five years with no restrictions placed upon the company by entering into these leases.

Mini Lease Payt	Present Value of Payt
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Finance lease are analysed as follows:

Current Obligations	90,206		218,435
Non Current Obligations	<u>267,434</u>		<u>161,698</u>
	<u>357,640</u>		<u>380,133</u>

17 Government Grant

At 1 January	273,473	319,124	319,124
Transfer from Fidson Products			-
Released to the income Statement	<u>(1,166)</u>	<u>-</u>	<u>(45,651)</u>
At 31st August	<u>272,307</u>	<u>319,124</u>	<u>273,473</u>

Current	59,616	57,532	60,782
Non-current	<u>212,691</u>	<u>261,592</u>	<u>212,691</u>
	<u>272,307</u>	<u>319,124</u>	<u>273,473</u>

This represents the grant elements of CBN intervention and BOI loans, after the loans were re-measured using effective interest rate.

The government grants have been recognised in the statement of financial position and it is being amortised through profit or loss

on a systematic basis over the tenure of the loan.

18 Deferred revenue

At 1 January	-		-
Deferred rent recognised	<u>7,000</u>		<u>7,000</u>
	<u>7,000</u>		<u>7,000</u>

Current	2,000		2,000
Non-current	<u>5,000</u>		<u>5,000</u>
	<u>7,000</u>		<u>7,000</u>

This represents deferred rental income from an insignificant portion of the company's building held to earn rentals.

19 Taxation

- a Current tax payable

At the beginning of the year	220,187	220,186	176,556
Charge for the year	220,804		113,630
Payments made on-account during the year	(122,570)		(70,000)
	318,421	220,186	220,186

b

Deferred tax liability

Statement of Financial Position

At the beginning of the year	452,549	452,549	310,085
Amount recorded in the income statement	(127,143)		125,356
Amount recorded in other comprehensive income	17,160		17,108
Deferred tax liability	342,566	452,549	452,549

20

Trade and other payables

Trade payables	976,582	1,706,166	1,697,058
Accrued expenses	810,996	950,974	1,086,925
Other payables (a)	942,489	731,218	499,638
Payables to other shareholders of Fidson Products Limited	928,589	928,589	928,589
	3,658,656	4,316,947	4,212,210

a

Other Payables

Other Creditors	922,467	404,865	407,458
Withholding tax	67,523	67,154	67,319
Staff advance	-	-	-
Directors Current Account	(62,369)	3,494	12,734
PAYE	2,183	13,833	-
NSITF	128	4	12,127
Staff Cooperative	7,058	8,960	-
NHF	335	340	-
Vat Payable	-	47,212	-
Staff Pension Fund	5,164	5,356	-

Dividend payable	-	180,000	-
	942,489	731,218	499,638

21 Other current financial liabilities

Commercial paper	65,000	65,000	65,000
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The fair value of the commercial paper is as stated.

22 Cash and cash equivalents in Statements of cash flows

Cash and cash equivalents (note 13)	646,592	62,751	204,154
Bank Overdraft (a)	(479,910)	(538,640)	-433,640
	166,682	(475,889)	-229,486

a Bank Overdraft Accounts

Access Bank	(125,258)	(101,984)	(103,622)
Access Bank 2	(101,984)	-	(254,864)
FCMB 2	(270,787)	(270,787)	(75,255)
GTB	(166,227)	(166,227)	(1,755)
Mainstreet	-	-	-
Diamond	-	-	-
UBA	-	-	-
Sterling	-	-	-
IBTC-CHARTERED	-	-	-
	(664,256)	(538,998)	(435,496)

23 Retirement benefit obligations

The company has discontinued its defined benefit gratuity effective 31st December 2013.

The scheme was non-contributory and was classified as other employment benefits in line with IAS 19

Benefit asset / (liability)

Defined benefit obligation	341,926	374,095	391,801
Benefit liability	341,926	374,095	391,801

24 Unclaimed Dividend

Unclaimed Dividend	<u>62,954</u>	-	<u>47,211</u>
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Unclaimed dividend relates to dividend paid in the prior year which was returned by the registrar as they remained unclaimed by the beneficiaries.

25 Share capital and reserves

Authorised and issued share capital

Authorised share capital

1,500,000,000 ordinary shares of 50k each	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
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a Issued and fully paid:

1,500,000,000 ordinary shares of 50k each	<u>750,000</u>		<u>750,000</u>
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b Share premium

	<u>2,973,043</u>	<u>2,973,043</u>	<u>2,973,043</u>
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Share premium arose as a result of premium paid on increase in share capital of 50k from 200,000,000 to 1,500,000,000 ordinary shares

in November 2007.

c Retained earnings

	<u>2,723,118</u>	<u>2,739,299</u>	<u>2,602,420</u>
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26 Available for sale reserve

At 1 January	(1,635)		(763)
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Other comprehensive income for the year, net			<u>(872)</u>
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	<u>(1,635)</u>	-	<u>-1,635</u>
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