GlaxoSmithKline Consumer Nigeria PLC.
(RC 8726)

do more
feel better
live longer

2015 Annual Report & Financial Statements

Do these hurt your teeth?

Change to Sensodyne.

Our Mission

To help people do more, feel better, live longer.

do more
feel better
live longer

The Spirit of GSK

Our values

Respect for people

Patient focus

Transparency

Integrity

Our strategic priorities

- Grow a diversified, global business
- Deliver more products of value
- Simplify the operating model
- Create a culture of individual empowerment
- Build trust

Our expectations

- Set direction and inspire
- Work across boundaries
- Release energy
- Develop capability and talent
- Drive performance
- Live our values

Our families, friends, patients and consumers, all trust the Quality of our products.

That is why we are committed to the very best in Quality, all the time, every time.

Our mission is to improve the quality of human life by enabling people to do more, feel better and live longer. This underpins everything we do.

In this report

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Financial Highlights

THE GROUP

	2015 N'000	2014 N'000	% Growth
Revenue	30,634,708	30,521,127	0
Gross profit	10,326,243	10,801,472	-4
Profit before interest charges and tax	1,161,217	2,757,331	-58
Finance costs	(3,703)	(5,115)	-28
Profit before tax	1,157,514	2,752,216	-58
Taxation	(192,467)	(903,374)	-79
Profit after Taxation	965,047	1,848,842	-48
Share Capital	597,939	478,351	25
Shareholders' Funds	13,185,214	12,948,244	2
Earnings per share (Kobo)	96	193	-50
Net asset per share	11.03	13.53	-18

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fifth Annual General Meeting of GlaxoSmithKline Consumer Nigeria PLC will be held at the Shell Nigeria Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos, on Monday, 4th July, 2016 at 10 o'clock in the forenoon to transact the following business:

ORDINARY BUSINESS

1. To lay before the members, the report of the Directors and the audited financial statements for the year ended 31st December 2015 together with the reports of the Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To elect/ re-elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors
5. To elect the members of the Audit Committee

SPECIAL BUSINESS

6. To fix the remuneration of Directors.
7. To authorize the Company to procure goods and services necessary for its operations from related companies in compliance with the NSE Rules Governing Transactions with Related Parties or Interested Persons.

NOTE

I. PROXY

Any member of the Company entitled to attend and vote at this Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is enclosed herewith. Proxy forms must be completed and deposited at the office of the Company's Registrars, GTL Registrars, 2, Burma Road, Apapa, Lagos, P.M.B. 12717, not later than 48 hours before the time of the meeting.

II. PAYMENT OF DIVIDEND

If the dividend recommended is approved, dividend warrants will be posted on Tuesday, 5th July, 2016, to holders of shares whose names appear in the Register of Members at the close of business on Wednesday 25th May 2016.

III. CLOSURE OF THE REGISTER AND TRANSFER BOOKS

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Thursday 26th May to Wednesday 1st June 2016, both days inclusive for the purpose of qualifying for dividend and attendance at the Annual General Meeting Members.

IV. NOMINATIONS FOR THE AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act (Cap C20, Laws of the Federation of Nigeria, 2004), any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

V. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

This is to inform all Shareholders that the Registrars of the Company are holding share certificates and dividend warrants which have been returned by the Post Office as "unclaimed". Some dividend warrants sent to shareholders' registered addresses or their bankers too are yet to be presented for payment or returned to the Registrars' Office for revalidation.

Any member affected by this notice should please write to the Company Secretary/Registrars or call at the Company's registered office during normal working hours. Shareholders are encouraged to update their mailing addresses by forwarding the latest information to the Company or its registrars, GTL Registrar to assist in the distribution of dividend warrants and share certificates.

VI. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. Detachable application forms for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrars as soon as possible. We request our Shareholders to use the e-dividend payment portal that will serve as an on-line verification and communication medium for e-dividend mandate processing through the new E-Dividend Mandate Management System jointly introduced by the Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Inter-Bank Settlement Systems PLC and the Institute of Capital Market Registrars. The letter from GTL Registrars explaining the new initiative is attached to the Annual Report and Financial Statements.

VII. SECURITIES HOLDERS' RIGHTS

Rule 19:12 of the Rule Book of the Nigerian Stock Exchange reserves the right of Shareholders and other holders of the Company's Securities to ask questions not only at the meeting but also in writing prior to the meeting. Such Shareholders or holders of other securities may submit to the office of the Company Secretary written memoranda of their questions, observations or concerns arising from the Annual Reports & Financial Statements at least one week before the Annual General Meeting and forward copies to the relevant regulatory bodies.

Dated this 9th day of March 2016.
By Order of the Board

Uche Uwechia, Esq.
Company Secretary
FRC/2013/NBA/00000001970
GlaxoSmithKline Consumer Nigeria PLC
GSK House, 1, Industrial Avenue, Ilupeju, P.M.B. 21218, Ikeja, Lagos.

Directors, Officers and Professional Advisers

Mr. Edmund C. Onuzo	Chairman
Mr. Dayanand Thandalam Sriram (Indian)	Managing Director
Mr. Jonathan Girling (British)	
Mr. Jonathan Murray (British)	resigned with effect from 21/2/2016)
Mr. Justin Korte (South African)	(resigned with effect from 15/2/2016)
Mr. Chinedum Okereke	
Mr. Samuel Kuye	
Mr. Lekan Asuni	
Mr. Tunde Lemo, OFR	
Mrs. Lubabatu Bello	
Mr. Andries Van Rooijen	(appointed with effect from 10/3/16)
Mr. Aderemi Adediran	(appointed with effect from 10/3/16)

Company Secretary
Uchenna Uwechia, Esq.
Assistant Company Secretary
Olaleye Dada, Esq.
Head, Corporate Reporting
Nelson Sanni

Registered Office
GSK House
1, Industrial Avenue, Ilupeju
P.M.B. 21218, Ikeja, Lagos
Tel: +234-1-2711000,
Fax: +234-1-2716172
E-mail: customercare-ch-nigeria@gsk.com
Website: www.gsk.com/ng

Registrars and Transfer Office
GTL Registrars Limited
(Formerly Union Registrars Limited)
2, Burma Road, P.M.B 12717, Lagos
Tel +234-1-2917747, +234-1-2917745
+234-(0)2917714

External Auditors
Akintola Williams Deloitte
House 235, Ikorodu Road
Ilupeju
Lagos State
Tel+234 (1)2717800

Bankers
Citibank Nigeria Limited
Standard Chartered Bank Limited
United Bank for Africa Plc
Stanbic IBTC Bank Plc
First Bank Nigeria Ltd.
Zenith Bank Plc

Members of the Audit Committee

Mr. Kashimawo A. Taiwo	Members' Representative (Chairman)
Chief Sunday O. Ogunnowo	Members' Representative
Mr. Yakubu T. Mosuro	Members' Representative
Mr. Chinedum Okereke	Director
Mr. Samuel Kuye	Director
Mr. Tunde Lemo, OFR	Director

Company Profile

History and Affiliation

GlaxoSmithKline Consumer Nigeria PLC (GSK), an affiliate of GlaxoSmithKline worldwide, was incorporated in Nigeria on 23rd June 1971 and commenced business on 1st July 1972, under the name Beecham Limited. Its Head office is located at 1, Industrial Avenue, Ilupeju, Lagos. The Company was quoted on the Nigerian Stock Exchange in 1977. In 1982, in order to expand our operations in the country, an ultra-modern drinks factory was established in Agbara Industrial Estate, Ogun State, which has since been expanded to include facilities to manufacture Oral Healthcare (OHC) and Wellness products. In line with our commitment to continuous improvement, we regularly update our facilities to meet the ever-increasing demands of our consumers.

Mission and Values

Our mission is to improve the quality of human life by enabling people to do more, feel better and live longer. This underpins everything we do.

Our business is focused around the delivery of three strategic priorities which aim to increase growth, reduce risk and improve our long-term financial performance. These priorities are: grow a diversified global business, deliver more products of value, and simplify the operating model.

Operating responsibly and ensuring our values are embedded in our culture and decision-making helps us in meeting the expectations of society.

Responsible Business

For GSK, being a responsible business is central to our strategy, and how we deliver success is just as important as what we achieve. Ensuring our values are embedded in our business is a priority. We constantly evolve in forward-looking commitments across the four areas of our responsible business approach; Health for all, Our behaviour, Our people, Our planet.

Commitment to Quality, Research and Development

Research is at the heart of everything we do. Through research, we either try to develop more effective ways of treating diseases for which medicines are already available or identify conditions which, as yet, have no treatment at all.

GSK Nigeria takes full advantage of the facilities of our parent company in ensuring that the safety and wellbeing of everyone who uses our products remain our number one priority. We also continue to partner with NAFDAC, and other government regulatory agencies, in the fight against counterfeits and fake products.

Manpower and Work Environment

We continue to engage quality human capital throughout the strata of our workforce. We promote a work environment that supports an informed, empowered and resilient workforce. In line with our principle of diversity and inclusion, we encourage all our employees to build a culture that engages and values all people.

Recognition and Awards

GSK continues to be recognized for its outstanding contribution to the industry and Nigeria as a whole. In the past, we have received coveted awards such as; the President of the Nigerian Stock Exchange Merit Award (2004 to 2006); the 2007 West Africa Quality International Pharmaceutical Company of the Year in the West Africa Quality Management Award (WAQMA) series; the Corporate Social Responsibility (CSR) Award in the Child Healthcare category, based on the Company's community projects across the Country. In 2011, GSK won the Advertisers Association of Nigeria (ADVAN) Award for Marketing Excellence, amongst others. The company has also been a recipient of several Pearl Awards including the 'All Time Greats'. GSK Nigeria was ranked 4th on the 2013 Great Place to Work® Trust Index (Large Companies) for Nigeria, and in 2014, GSK Nigeria made BusinessDay Most Respected List and the Presidency's Top 100 Companies List.

Ethics and Business Practices

GSK aligns with its global commercial ethics code as well as a code of conduct to guide its business practices. All employees are aware of these codes and are required to observe these rules of conduct in relation to business and regulations. We also place priority on the ethical conduct of our employees by aligning with our Anti-Bribery & Corruption Programme (ABAC). The ABAC programme is part of GSK's response to the threat and risk of bribery and corruption.

Value-add to Society

We provide employment opportunities for hundreds of people while our commercial activities have a positive multiplier effect on the Nigerian economy. Our graduate trainee program offers candidates the opportunity to work within the organization and acquire needed experience. We also absorb seasonal employees on Industrial Attachment. GSK, which is an icon in the country's healthcare industry, is unrelenting in its mission of improving the quality of human life of the Nigerian citizenry by enabling them 'to do more, feel better and live longer.'

Board of Directors
& Company Secretary

Board of Directors:

1. Mr. Edmund C. Onuzo (Chairman)
2. Mr. Dayanand Thandalam Sriram
3. Mr. Jonathan Girling
4. Mr. Chinedum Okereke
5. Mr. Samuel Kuye
6. Mr. Lekan Asuni
7. Mrs. Lubabatu Bello
8. Mr. Tunde Lemo, OFR
9. Mr. Andries Van Rooijen
10. Mr. Adediran Aderemi
11. Mr. Uche Uwechia Esq (Company Secretary)

Board of Directors Cont'd

Mr. Edmund C. Onuzo
[Chairman]

Nationality:
Nigerian
Appointment Date:
1st June, 2006 as a **Non- Executive Director**;
12th June, 2014 as **Chairman**

The Chairman of the Board of Directors, who holds a Bachelors degree in Agric Economics, started his career in Levers Brothers Nigeria as a Sales Office Manager in 1977.

He rose to increasing levels of responsibilities until he became the General Sales Manager in 1987. He joined SmithKline Beecham in 1990 as Sales Controller. In 1995 he became the executive director, Pharmaceuticals and Consumer Healthcare and moved to Ghana in 1997 as the Managing Director of SmithKline Beecham Ltd with responsibility for the Pharma and Consumer businesses in the Anglophone West African countries. Following the merger of Smithkline Beecham and Glaxo Wellcome in 2001, he was appointed Sales Director for GlaxoSmithkline Pharmaceutical Anglophone West Africa. Late in 2005, he took on the responsibility of managing the sales and marketing functions of GlaxoSmithkline Pharmaceutical until his retirement in December 2005.

Mr. Dayanand Thandalam Sriram
[Managing Director]

Nationality:
Indian
Appointment Date:
12th June, 2014 as **Managing Director**

The Managing Director of the Company has over 20 years of proven leadership experience in Sales, Marketing and General Management, his portfolio cuts across Nutritionals, Wellness and Oral care.

He started his professional career with Hindustan Unilever, Chennai India as a Packaging Development Officer in 1991. He joined GSK in 1995 assuming various Sales leadership roles, he was the Regional Head (West) Mumbai, Regional Head - (South) Chennai, Category Head - Nutritionals, H.Q. Gurgaon, National Sales Manager, H.Q. Gurgaon, and the Sales Development Director International, H.Q. Gurgaon, charged with the responsibilities of delivering sales development initiatives in GSK's focus market of Brazil, China, Mexico, Japan and Egypt among other responsibilities. He was the General Manager of GSK Colombo, Sri Lanka prior to his appointment as the Managing Director of this company.

Mr. Jonathan Girling
[Non-Executive Director]

Nationality:
British
Appointment Date:
28th August, 2013

Mr. Girling is currently the Vice President/ General Manager GSK Consumer Healthcare, Africa. He graduated from the King's College, University of London in 1994 with a BSc (Honours) Business Management. He started his working career as External Relations & International Marketing Assistant, King's College London. He joined GSK in March 1997 as Assistant Product Manager, GSK Toothbrush Category, UK and rose through the ranks as follows: December 2001 - Group Brand Manager, Lucozade Physical & Mental Energy Category, February 2003 - Category Marketing Director, Mouth Clinic Brands, Oral Care UK.

In January 2004, he was Global Innovation Director, Global Sensodyne Future Team, GSK, December 2004 - Global Strategy & Innovation Director, Global Aquafresh Brand, GSK July 2008 - Vice President & General Manager, GSK Consumer Healthcare, Southern Africa, May 2011 - Vice President & Global Business Leader, GSK Global Pain Management Category and July 2013 - Vice President & General Manager, GSK Consumer Healthcare, Africa.

Mr. Chinedum Okereke
[Non-Executive Director]

Nationality:
Nigerian
Appointment Date:
16th March, 2014

Mr. Okereke is currently the Regional Supply Chain Head for Africa, Asia and Middle East for GlaxoSmithKline. He holds a Bachelor of Science degree in Microbiology, a PGD in Chemical Engineering, a Masters of Science in Public Health/Environmental Microbiology and an MBA from the prestigious Lagos Business School.

He was formerly West African Business Expansion Lead for GlaxoSmithKline Consumer Healthcare. Prior to this, he was the Site Director of the Company's Factory at Agbara from July 2009 to March 2013 and drove the turnaround of the site that supported the high growth plans of the Company. Before joining the Company in 2009, he previously worked with Guinness Nigeria plc as a Packaging Manager and rose to the position of Ag. Head of Logistics and Supply Planning. He also worked with Globacom Limited as General Manager Operations and Coca Cola Nigeria and Equatorial Africa Limited as Head, Business Planning and Strategy. Mr. Okereke holds a Diploma Master Brewer Certificate from the Institute of Brewing London.

Mr. Samuel Kuye
[Non Executive Director]

Nationality:
Nigerian
Appointment Date:
12th June, 2014

Mr. Kuye, Chartered Accountant and Fellow of the Institute of Chartered Accountants of Nigeria (FCA). He is currently the Chief Executive of SEOOM Limited, a Management and Financial Consultancy firm. He started his career in Nestle Nigeria in 1974 where he held various positions in Finance and Control as well as management of the company's Pension Fund and the Nestle group. He was the Asst. Group Controller of the Nestle Group for Southern African Region, and worked at the Nestle Group's headquarters in Switzerland as Controller, responsible for 6 countries in Asia (Philippines, Malaysia, Thailand, Indonesia, Vietnam and Singapore).

In 2000, he returned from Switzerland to Nigeria as the Finance & Control Director and Chief Financial Officer of Nestle Nigeria until 2004 when he was transferred to Egypt.

After 36 years with the Nestle Group, he retired as Finance & Control Director and Chief Financial Officer of the Nestle Group for Turkey.

Mr. Lekan Asuni
[Non-Executive Director]

Nationality:
Nigerian
Appointment Date:
12th June, 2014

He is currently the Managing Director of GlaxoSmithKline Pharmaceutical Nigeria Limited. He holds a Bachelor of Pharmacy degree from University of Ife (now Obafemi Awolowo University), Ile-Ife, Nigeria and a Master of Business Administration (MBA). He is an Alumnus of Ashridge Business School, UK and has also attended several general management and function-specific workshops and courses locally and international.

He has close to eight years of general management and over a decade diverse senior leadership experience where he distinguished himself with a proven track record of delivering growth of major scale. He has vast experience in marketing management (in different product categories), sales management, business development, project management, intellectual property protection and public health. He is a Fellow of the Pharmaceutical Society of Nigeria, the Nigerian Academy of Pharmacy and other distinguished professional bodies. He currently serves as the President of the Association of Nigerian Representatives' of Overseas Pharmaceutical Manufacturers (NIROPHARM).

Mr. Tunde Lemo, OFR
[Non Executive Director]

Nationality:
Nigerian
Appointment Date:
1st December, 2014

Mr. Lemo started his career in Arthur Andersen & Co Chartered Accountants in 1985 and over the years, he held various other positions in Finance and Control as well as providing significant leadership and top management training both in the public and private sectors.

He was the Managing Director of Wema Bank plc prior to his appointment as the Deputy Governor in charge of Operations, Central Bank of Nigeria from 2003 to 2014; he was also Deputy Governor, Financial Systems Surveillance.

He is a Fellow of the institute of Chartered Accountant of Nigeria as well as a Fellow of the Chartered Institute of Bankers. He was awarded with the prestigious National honour of the Officer of the Federal Republic (OFR) in November, 2011.

Mrs. Lubabatu Bello
[Non-Executive Director]

Nationality:
Nigerian
Appointment Date:
1st December, 2014

Mrs. Bello is the Managing Director and Principal Pharmacist, Ludam Pharmaceuticals and General Enterprises Limited since 1990.

She is a consultant to many Pharmaceutical bodies including the National Agency for the Control of Aids, F.C.T, Abuja. She is also a Director of Consolidated Commercial Ventures Limited amongst others.

Mrs. Bello started her career with Ahmadu Bello Teaching Hospital, Kaduna in 1984 as a Senior Pharmacist. She is a member of many professional bodies including the Pharmaceutical Society of Nigeria and Pioneer member, Nigerian Association of Lady Pharmacists.

Mr. Andries Van Rooijen
[Non Executive Director]

Nationality:
South African
Appointment Date:
10th March, 2016

Mr. Rooijen is currently the Area Finance Director of GlaxoSmithKline Consumer healthcare, Africa.

He served as a non-Executive Director on the board of GlaxoSmithKline Consumer Nigeria Plc from February 2012 till December 2013. He started his career with NEDCOR Banking group in South Africa as a Business Analyst/ Business Development Manager. He also worked at Lloyds Bank Securities and Citibank as an Investigating Accountant. He joined GlaxoSmithKline (Pharmaceuticals, south Africa) in 2002 as a senior Financial Analyst and moved on to become the Financial Controller for GlaxoSmithKline (Pharmaceuticals, south Africa). He held other roles including Head of Supply and Value Chain for GlaxoSmithKline Africa.

He was appointed to the Board as a Non-Executive Director effective 10th March 2016.

Mr. Aderemi Adediran
[Executive Director]

Nationality:
Nigerian
Appointment Date:
10th March, 2016

Mr. Adediran is currently the Human Resources Director (Nigeria/ West and Central Africa) for GlaxoSmithKline. He has a Bachelor of Arts degree in Philosophy from Obafemi Awolowo University Ile-Ife, Nigeria.

He started his career at Lagos Chamber of Commerce and Industry (LCCI) Business unit as an Organisational Development Consultant in 1997, facilitating sessions to improve communication between employees and management. He joined British American Tobacco in 2004 as the Employee Relations Manager and held other roles with increasing responsibilities such as: West Africa Area Shared Services Manager,, Head of HR, Uganda, Senior HR-Business Partner, Head of HR Operations West Africa Area and Head of Marketing HR.

Management Team

Dayanand Thandalam Sriram
Managing Director

Adediran Aderemi
Human Resources Director

Dotun Somoye
Franchise Head

Niyi Alawode
Ag.Head Manufacturing Site

Uche Uwechia
Company Secretary

Kerry Alexander
Head, Marketing
(Retained Business)

Uwem Udoma
Head, Regulatory Affairs

Kayode Adebiyi
Head, Sales

Bolaji Sanyaolu
Manager, Communications

Rajiv Das
Head, Marketing
(Drinks)

Rabiu Olowo
Head, Internal Audit

'Sesan T. Abimbola
Head, Procurement

Ayodeji Owadara
Manager,Compliance

Sarah Amadi
Manager, Project

Seun Oyedeji
Manager, Customer Service
& Logistics

Kayode Sowade
Manager, Supply Chain

Isaac Ajayi
Manager, Security

Adebisi Ibironke
Manager, Quality Assurance


Release the
Ribena® Goodness
GlaxoSmithKline
Ribena®
Blackcurrant
gsk
Blackcurrant
Ribena®
RICH IN
C
VITAMIN

Chairman's Statement

Dear esteemed Shareholders, fellow directors, gentlemen of the press, representatives of Management and staff here present, ladies and gentlemen. It is my utmost pleasure to welcome you all, on behalf of the Board of Directors, to the 45th Annual General Meeting of our company.

I want to use this opportunity to express my deep gratitude to God and to my colleagues for their support in directing the affairs of our dear company, GlaxoSmithKline Consumer Nigeria PLC.

Business Environment

It will be an understatement to say that last year, especially the last quarter, was a challenging one for not only our company but also for the entire business environment and indeed Nigeria as a nation.

As the country waited in anticipation for the general election, many sectors of the economy came to a standstill, with businesses unable to make strategic decisions for fear of the unknown. Nonetheless, 2015 welcomed a new administration and a new order of things after an election that was keenly contested, and will linger in the minds of the electorate. Nigerians embraced the new Government with prodigious hope and eager expectation of a desired change in economic policies, security, employment, infrastructure and other unmet needs.

The new administration's tenure started on a rather challenging note characterized by a disturbing crash of crude oil prices and a massive devaluation of the local currency against all major currencies. However, post-election reform, though slow in coming, started with deliberate efforts to address fiscal, structural, and financial challenges exacerbated by the low oil price and weak capital inflows.

Though terrorism and insurgency in some parts of the North East reduced, other security challenges arose in the form of secession protests and kidnappings of people for ransom in parts of the South East and South-South, the resurgence of Niger Delta militancy with attendant sabotage on oil and gas installations, mayhem and killings by Fulani cattle herdsmen, as the new administration strove to make true some of its campaign promises. Government's efforts to curb these anomalies appear to be yielding some positive results. There is, however, the need for more concerted and integrated approach to addressing insecurity and crime to improve the perception of Nigeria as an investment friendly country and ultimately build a stable business environment.

It is within the context of these challenges that I present to you my statement.

In its January 2015 Commodity Markets Outlook, the World Bank forecasts oil price of US$53 for 2015 and US$57 for 2016, down from average of US$95 in 2014. In spite of the uncertainties that heralded the year, the administration took off with the formulation of policies to address inherited challenges and anticipated developments.

As oil exporters around the world took measures to make the most of the forecast and its implications, the Nigerian government also took active steps by proposing a combination of spending cuts and raising additional revenue from non-oil activities, especially by imposing higher consumption taxes on luxury items in order to mitigate the negative impact of expected reduced revenue from oil.

According to CBN, against the backdrop of the huge fall in the global crude oil prices from June 2014, Nigeria's total oil revenue declined by 41.2 percent between January and April 2015,due to sharp decline in crude oil and gas receipts. The effect of the slump in oil prices remained evident as Government witnessed a significant decline in revenue.

The Capital Market

The Nigerian Stock Market closed out the year on a very negative note as evidenced by the market indicators of market capitalisation and the All-Shares Index and NSE closed the year as one of the least performed markets in Africa. The market was characterised by high volatility, poor performance and low sentiments from investors who were in the dark about the economic policies of the Government.

The Healthcare Sector

The healthcare sector continued to be plagued by gross underfunding, shortage of skilled healthcare manpower and poor quality services in many public and private health establishments. Perhaps, the most significant event aimed at improving the health sector was the 'Future of Health Conference' held in June 2015 with the objective of rebuilding the Nigerian health sector. The event brought together Nigerian health sector professionals in institutions, academia, research institutions, non-governmental organisations, Government officials, bilateral and multi-lateral development partners and journalists.

Performance & Operating Results

Our company faced significant performance challenges in 2015. While turnover remained flat at N30Billion, gross profit declined marginally by 4% versus prior year. However, cost containment efforts by management coupled with the benefit of pioneer status in certain areas of our operations had positive impact on the final results.

Dividend

Notwithstanding the decline in profitability, the Board will be recommending a dividend of N358,761,102 to be paid to shareholders, representing 30k per share, subject to appropriate withholding tax deduction.

Our People

We recognise that our people are critical to attaining and sustaining high performance hence we will continue to invest in our human capital. We also take very seriously our commitment to staff wellbeing. We recently implemented the Partnership for Prevention Programme, which is aimed at improving the general wellbeing of our staff and their dependents through proactive health checks and total immunization coverage.

Marketing and Sales Initiatives

Despite the prevailing challenging environment and drop in profitability, GSK has continued to invest significantly in marketing campaigns and activations to support our brands.

Manufacturing Infrastructure

Over the years, we have continued to upgrade our Factory in Agbara to increase the local manufacture of our products and this has become even more critical especially in the face of high exchange rates.

In recognition of the importance of access to products, GSK in 2015, embarked on an extensive review of its route to market strategies and had put in place a fit for purpose structure that will improve distributor investments and returns. The impact of the changes is expected in the outer years. It is noteworthy to mention that our parent company, GSK Plc, has continued to demonstrate support for the Nigerian business.

The Board

Since the last Annual General Meeting, there have been some changes in the composition of the Board. Mr. Justin Korte and Mr. Jonathan Murray had resigned their appointments from the board with effect from 15 February 2016 and 21 February 2016 respectively to pursue other interests outside the Company. We wish them success in their future endeavour.

Mr. Andries Van Rooijen and Mr. Adediran Aderemi have been appointed as non- executive director and executive director, respectively, of the company with effect from 10 March 2016. In accordance with Section 249(2) of Companies Allied Matters Act, (CAP C20) Laws of the Federation of Nigeria 2004, a resolution will be proposed at the Annual General Meeting approving their appointments.

Future Outlook

Looking into the future, please permit me to express my cautious optimism as we navigate another year. I would like to reiterate that, beyond the prevailing socio-economic and political challenges, our focus at GSK is to continually maximise existing business opportunities with renewed commitment to a sustainable business through investment, product innovation and capacity development.

In January 2016, GSK received a non-binding offer from Suntory for the purchase of our Drinks business together with its assets. Following the receipt of the non-binding offer, Suntory had embarked on a due diligence exercise and the outcome of the process will be subject of further communication.

We know that there are existing challenges and uncertainties in the economy, and the present administration seeks to salvage the dignity of this nation, however, our firm belief is that companies that offer quality products at competitive prices, whilst ensuring operational efficiencies, will always remain ahead. To this end, and all things being equal, we are determined to succeed in the market, improve on our performances and deliver superior returns to our shareholders.

Conclusion

Distinguished shareholders, I want to thank you immensely for your support, and the Board values your feedback. We shall continue to count on your collaboration, encouragement, constructive criticism, and your prayers, to be able to steer the ship of our Company to the safe harbour of sustainable profitability. We are operating at a very challenging period and all of us must collectively work together to position our company amongst the great institutions of our time.

I also wish to express my sincere gratitude to the staff and management of our dear company, and all our stakeholders including our suppliers, distributors, media and regulators for your continued and consistent cooperation and support.

God bless GlaxoSmithKline; God bless Nigeria!

Thank you for your kind attention.

Mr. Edmund C. Onuzo
Chairman
9 March 2016

Corporate Responsibility

GlaxoSmithKline, a Responsible Company

At GSK, our mission is to improve the quality of human life by enabling people to do more, feel better and live longer. Our commercial success depends on growing a diverse business, creating innovative new products of value, making them widely accessible and operating efficiently. We have three primary areas of business: Pharmaceuticals, Vaccines and Consumer Healthcare.

Being a responsible business helps us create the products that patients and healthcare payers really need, foster the right conditions for business growth, motivate our employees, operate efficiently and gain the trust of our stakeholders.

We create value by researching and manufacturing products that improve people's health and well-being, and making them as widely available as possible. By delivering innovation and expanding access to our products we bring shared value to society and to our shareholders.

We report our responsible business performance across four areas;

- Health for all
- Our behaviour
- Our people
- Our planet

Health for ALL

Improving peoples' health and well-being regardless of where they live and their ability to pay.

As a responsible business, we have been able to respond to the concerns of our consumers and successfully implement business strategies based on consumer insight and needs. One of our key projects to meet such needs is the:

Vaccines Access Initiative

The objective of this initiative is to provide complementary access points for adult vaccines that are not on the Extended Programme for Immunisation (EPI) list. The Consumer Healthcare arm of the business continues to cater for the needs of the existing and emerging consumer category by providing innovative packaging formats that will meet our consumers' ever-increasing needs.

Africa 2020 Agenda

In January 2016, after several months of planning, GSK Nigeria formally launched the Africa 2020 strategic action plan which seeks to transform healthcare access in Nigeria by ensuring that 4 out of every 5 Nigerians have access to and use a GSK medicine regardless of where they are located or their ability to pay by the year 2020. This vision is particularly important because Sub-Saharan Africa, including Nigeria has one of the lowest life expectancies in the world partly because of inadequate access to quality medicines and vaccines. The Africa 2020 agenda seeks to extend medicine access to the bottom of the pyramid, and improve the quality of millions of lives more in the process.

Patient Access Initiative

The Patient Access initiative driven by our commercial team is GSK Nigeria's new entrant that seeks to provide access to GSK medicines to far reaching places (suburban and rural) communities and patients who because of their peculiar geographical location and socio-economic status do not have access to these medicines and healthcare.

Open Lab for non-communicable disease in Africa

In 2015, GSK started an initiative to build the world's first R&D Open Lab for non-communicable diseases in Africa.

The Africa NCD Open Lab will see GSK scientists collaborate with research and scientific centres across Africa from its hub in Stevenage in the UK. They will conduct research to increase understanding of NCDs in Africa, helping to inform prevention and treatment strategies.

The Open Lab will directly support the training and education of African scientific researchers who will participate in a portfolio of projects, building local expertise and creating a new generation of African NCD experts while instilling a deep vein of 'African thinking' within GSK's own R&D organisation.

A research fund has been established by GSK to support Africa-based researchers working on projects at the NCD Open Lab. The GSK Nigeria medical team drove the participation of HCPs for the research through awareness programmes and by reviewing various proposals submitted from all over Africa. At the end of the exercise, one of the entries from Nigeria was awarded the grant.

Our Behaviour

Behaving in an open and honest manner in all that we do.

All our business decisions are guided by our values of Transparency, Respect for People, Integrity and Patient focus. Our commitment to a responsible, values-based business means putting the interests of patients and consumers first. We recognise that we need to be open about what we do, how we do it and the challenges we face. Our employment practices are designed to create a culture in which all GSK employees feel valued, respected, empowered and inspired to achieve our goals. We are committed to always acting legally and fairly within the spirit of all laws, regulations and policies.

We align with our strong global policy and compliance programmes and expect the same standards of our suppliers, contractors and business partners. All our employees are aware of these programmes and are required to observe these rules of conduct in relation to business and regulations. We continue to reiterate our message of zero-tolerance to unethical behaviour through our Ethical Leadership Certification Programme and the Anti-Bribery & Corruption Programme (ABAC), which is part of our response to the threat and risk of bribery and corruption.

Supporting the development of our people and communities around the world. We believe that business has an important role to play in society and the contribution we make through our community investment is a key element of this. We aim to use our resources to deliver value to our communities. Our support includes donations of our time, money, expertise and medicines.

GSK Nigeria pursues its global mission not only through the medicines and vaccines it develops and makes available, but also through a wide variety of community programmes. We have, over the years, invested in various community partnership projects aimed at not only increasing access to healthcare, but also at empowering communities at the grassroots level. All our projects are developed in partnership with not only the authorities and appropriate NGOs concerned but also the communities to which such projects belong. Some of these projects are listed below:

- **Child Sponsorship:**
  GSK sponsors twenty (20) children of the SOS Villages of Nigeria (Isolo and Owu Ijebu) running into millions of naira (over N40m since 2004) to provide for their education and upkeep. Every year, GSK employees set aside a day to visit the children and show them love.

Employee Volunteering:

- **Save the Children Fund**
  In 2015, we entered into our third year of Orange United - a global project in collaboration with Save the Children Fund. The objective is to meet the health needs of children under the age of five years, in three core areas: immunisation, nutrition and healthcare provision. In Nigeria, we joined the rest of the GSK world in raising funds for this Initiative. All contributions by employees are doubled by the Company. Employees also have the opportunity to donate on a monthly basis for as long as they desire.
- **PULSE**
  Our Pulse programme offers us the opportunity to use our expertise to solve healthcare challenges at home and abroad. Volunteers gain new experiences and skills and, in many cases, a deeper understanding of patient or consumer needs. From 2013 to 2015, employees of GSK Nigeria volunteered for the programme and were placed with NGOs abroad. We also received visitors in Nigeria from all over the GSK world.
- **Lymphatic Filiariasis (LF):**
  GSK is an active partner in one of the world's biggest and boldest public health initiatives - the international effort led by the World Health Organisation (WHO) to rid the world of Lymphatic Filiariasis (otherwise known as elephantiasis).

  Our global commitment is to donate 600 million tablets of the required drug each year until LF is eliminated. GSK Nigeria, in partnership with our parent company, is responsible for the coordination of the donation to beneficiaries in the country.
- **African Family Nutrition Website:** As part of our drive to improve the quality of human life, GSK launched a website tagged 'African Family Nutrition', which is a one-stop for nutrition queries. The objective of this website is to ensure that the right knowledge about children's nutrition is provided to mothers through experts. This knowledge is made available through integrated (online and offline) digital channels.
- **Project Plus**
  In 2015, GSK sponsored the project plus in conjunction with Pharmacists Council of Nigeria (PCN). Project Plus is an initiative that is aimed at fighting product counterfeiting and also to ensure that Nigerians at the grassroots have access to original drug products. Project Plus seeks to tackle the menace of counterfeit and poor quality medicines in Nigeria by educating Patent Medicine dealers and sellers.
- **S.C.O.P.E:**
  Scientific Course for Pharmacists Education, an innovative, online, collaboration between GlaxoSmithKline Nigeria and Pharmaceutical Society of Nigeria (PSN) was set up in 2015 to educate and empower pharmacists in different topical areas. Certificates are issued to participants at the conclusion of each module and the related post-test and evaluation. Since it was launched, the site has had over 2,500 unique visitors, with more than hundred users completing at least one module.

Our Planet

Growing our business while protecting the natural resources we all need for the future

Our commitment as a business to environmental sustainability can never be overstated. This lines up with our global environmental objectives which are to minimize waste generated and sent to dumpsites or landfills. In demonstration of our commitment to this objective, we have sourced for a recycler for our laminate wastes, which are compacted and baled by our waste handling equipment.

Close attention has been paid to segregating other wastes from source for re-usable and recycling purposes.

Our manufacturing sites have delivered significant reductions in energy and water usage as well as landfill waste disposal. Work is also underway to explore how we can accelerate our key energy efficiency projects by exploring alternative resources.

Please see below how we are progressing across each of these areas:

- **Water:**
  Water consumption in our operations target was over-achieved (-7% achieved over 2014 at +5% Site target)
- **Energy:**
  Carbon footprint target was over-achieved (-15% achieved over 2014 at +6% Site target)
- **Waste:**
  85% of our waste streams are recycled. There are measurable plans to achieve a zero waste to landfill by end of 2016. We have sourced for a recycler for our laminate wastes, which are compacted and baled by our waste handling equipment to meet our zero waste to landfill objective.
- **Safety:**
  Our Zero-Accident Promotion (ZAP) initiative achieved 9.9 reports per employee against a target of 8.0 reports per employee. This initiative has helped in no small measure in reducing safety incidences across our operation. We have a strong commitment to ensuring a safer workplace in 2016.
- **Printing and Paper Usage:**
  We are committed to meeting our sustainability goals and reducing cost. A simple and impactful way we have done this is through the 'Think before you print' campaign.

  This campaign seeks to curb unnecessary printing, and keep coloured printing to the barest minimum having discovered that printing in colour costs eight times more than black and white. To achieve this, an initiative was rolled out across the company to set all printers as a default to black and white. Since this switch, colour printing has reduced by 25% worldwide and delivered significant savings.

Corporate Governance Report

GlaxoSmithkline Consumer Nigeria PLC operates on high ethical standards and we are committed to engage and communicate effectively with the society through compliance and effective governance. With good governance, we create and uphold trust with our employees, investors, customers, governments and other stakeholders.

The Board, Management and Staff are obligated to carry out their functions in compliance with the regulatory requirements of the Securities and Exchange Commission (SEC), the Nigerian Stock Exchange (NSE), the Financial Reporting Council of Nigeria (FRC), and in line with global corporate governance best practice.

1. The Board and its Committees

The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves the strategic objectives agreed by the Board and as contained in the 2011 SEC Code of Corporate Governance for Public Companies ("the Code"). To enable it exercise this responsibility, the Board requires from Management the appropriate information concerning the business, including relevant information on risk exposures, internal controls and external developments.

The Company's Articles of Association provide that the Company's Board shall consist of not more than ten directors. During the year, the Board comprised of 10 directors, 8 of which were non-executive and 2 executive directors including the Managing Director. Out of the 8 non-executive directors, 4 represent the GlaxoSmithKline Group, the major shareholder of the Company. The Board is headed by a non-executive Chairman who provides leadership. Three out of the non-executive directors are independent directors.

2. The Board Appointment Process

The process for the appointment of new directors is as follows: Appointees are identified and short-listed by the Nomination & Remuneration Committee in line with the required skill and experience; presented to the Board for approval and then to the shareholders at a general meeting for final approval.

3. The Role of the Board

Specific issues reserved to the Board or its Committees amongst other roles as contained in the Code, include:

- Composition of the Board and its Committees.
- Approval of executive appointments, senior management succession plans and senior management terms of employment.
- The appropriation and distribution of profits.
- Approval of strategic plans. The Board is responsible for monitoring the implementation of the Company's strategy as approved.
- The Board has supervisory responsibility for overall budgetary planning, major treasury planning and scientific and commercial strategies.
- Oversight over Risk Management including defining the Company's risk appetite, receiving regular reports on major risks and exposures as well as appropriate mitigants..
- Acquisitions, disposals, licensing transactions, mergers and joint ventures, capital investments, and major organisation changes.
- Periodic and regular review of actual business performance relative to established objectives.
- Review and approval of internal controls and risk management policies and processes.
- Overseeing the effectiveness and adequacy of internal control system.
- Ensuring the integrity of financial report.

The Board, which is headed by a non-executive Chairman, exercised its oversight function for the period under review.

4. Board Membership

Name	Designation
Mr. Edmund Onuzo	Chairman
Mr. Dayanand Thandalam Sriram (Indian)	Managing Director
Mr. Jonathan Girling (British)	Non -Executive Director
Mr. Jonathan Murray (British)	Executive Director (Finance) (Resigned wef 21 February 2016)
Mr. Justin Korte (South African)	Non- Executive Director (Resigned wef 15 February 2016)
Mr. Chinedum Okereke	Non-Executive Director
Mr. Samuel Kuye	Independent Non -Executive Director
Mr. Lekan Asuni	Non -Executive Director
Mr. Tunde Lemo, OFR	Independent Non -Executive Director

Mrs. Lubabatu Bello	Independent Non -Executive Director
Mr. Andries Van Rooijen (South African)	Non -Executive Director (Appointed wef 10 March 2016)
Mr. Adediran Aderemi	Executive Director (Appointed wef 10 March 2016)

5. Record of Directors' Attendance

The Board held a total of 7 (seven) meetings during the year; five of which were duly scheduled while two were an emergency meeting. In accordance with Section 258(2) of the Companies and Allied Matters Act cap C.20, Laws of the Federation of Nigeria 2004, the record of Directors' attendance at meetings during year 2015 is available for inspection at the Annual General Meeting. Membership and attendance of Board meetings are set out below:

Directors	27/01/15	25/03/15	29/04/15	10/06/15	27/07/15	27/10/15	25/11/15
Mr. Edmund Onuzo	√	√	√	√	√	√	√
Mr. Dayanand Thandalam Sriram	√	√	√	√	√	√	√
Mr. Jonathan Girling	√	X	√	√	√	√	√
Mr. Justin Korte	√	√	√	√	√	√	√
Mr. Jonathan Murray	√	√	√	√	√	√	√
Mr. Chinedum Okereke	√	√	√	√	√	√	√
Mr. Samuel Kuye	√	√	√	√	√	√	√
Mr. Lekan Asuni	X	√	√	√	√	√	√
Mr. Tunde Lemo, OFR	X	√	√	√	√	√	√
Mrs. Lubabatu Bello	√	√	√	√	X	√	√
Mr. Andries Van Rooijen	NYM	NYM	NYM	NYM	NYM	NYM	NYM
Mr. Adediran Aderemi	NYM	NYM	NYM	NYM	NYM	NYM	NYM

KEYS: √ = present X = absent with apology NYM= Not yet a member

6. Company Secretary

The Company has a functional Company Secretariat department that supports and assists the Board and Management in implementing the code and developing good corporate governance practices and culture. The Company Secretary is Uche Uwechia Esq. and the Assistant Company Secretary is Olaleye Dada Esq.

7. Committees of the Board

a. Nomination and Remuneration Committee

The Committee is mandated to review and recommend to the Board eligible persons for appointment as Directors or executive members as well as review and make recommendations on the remuneration of Directors and senior officers of the company. The Committee met once during the year. The table below shows the members who served on the committee in 2015 and their attendance at the meetings.

Directors	27/07/15
Mr. Edmund Onuzo	√
Mr. Jonathan Girling	√
Mr. Dayanand Thandalam Sriram	√

b. Audit Committee

The Committee comprises of six members, three of whom are shareholders representatives, one of which is the Chairman, Mr. K. A. Taiwo. In accordance with section 359(5) of the Companies and Allied Matters Act 1990, the following members and directors were elected and nominated pursuant to Section 359(4) of the said Act and will serve on the committee up to the conclusion of the 45th Annual General Meeting. The meetings of the Committee were held four times during the period under review (July 2015 - March 2016).

Directors	27/07/15	27/10/15	28/01/16	09/03/16
Mr. K.A. Taiwo, FCA	√	√	√	√
Chief S.O. Ogunnowo	√	√	√	√
Mr. Y. T. Mosuro	√	√	√	√
Mr. Chinedum Okereke	√	√	√	√
Mr. Samuel Kuye	√	√	√	√
Mr. Tunde Lemo, OFR	√	√	X	√

KEYS: √ = present X = absent with apology

The functions of the Committee as set out in its mandate are in accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 1990 and clause 30 of the Code of Corporate Governance.

c. Risk Management and Corporate Governance Monitoring Committee

The Committee is mandated to review and recommend to the Board the risk management framework for the company and monitor the development of, compliance with and periodic review of the Company's corporate governance policies and practices. The Committee met once during the year. The table below shows the members who served on the committee in 2015 and their attendance at the meeting.

Directors	28/07/15
Mr. Samuel Kuye	√
Mr. Lekan Asuni	√
Mr. Tunde Lemo, OFR	√
Mr. Dayanand Thandalam Sriram	√

d. Finance Committee

The Committee is mandated to review and make recommendations to the Board of Directors with respect to the Company's annual and long-term financial strategies and objectives. The Committee met nine times during the year. The table below shows the members who served on the committee in 2015 and their attendance at the meetings

Directors	22/01/15	05/02/15	10/02/15	23-25/ 02/15	21/04/15	21/07/15	13/10/15	26/10/15	25/11/15
Mr. Edmund Onuzo	√	√	√	√	√	√	√	√	√
Mr. Dayanand Thandalam Sriram	√	√	√	√	√	√	√	√	√
Mr. Jonathan Murray	√	√	√	√	√	√	√	√	√
Mr. Samuel Kuye	√	√	√	√	√	√	√	√	√

e. Administrative Committee

The Committee consists of the Managing Director, Mr. Dayanand Thandalam Sriram and the Finance Director, Mr. Jonathan Murray. The committee meets on an ad-hoc basis to approve the affixing of the Company's Seal to documents and authorize the change of signatories in respect of bank accounts operated by the Company in the normal course of business. These decisions are subject to ratification by the Board of Directors.

8. Separation of the position of the Chairman and CEO

The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for implementation of the Company's business strategy and the day-to-day management of the business.

9. Board Evaluation

During the period under review, the Board undertook an internal evaluation of its performance as well as that of its committees and individual directors and the result was generally satisfactory. The Board had taken various steps, including stream-lining the committees and training of its members, to further strengthen its over-sight functions and ensure its ability to deliver on its Mandate.

10. Directors standing for re-election and their biographical details

The Directors to retire by rotation at this Annual General Meeting in accordance with Section 259 of the Companies and Allied Matters Act, 2004, as well as Article 91 of the company's Articles of Association are Mr. Chinedum Okereke, Mr. Samuel Kuye and Mr. Lekan Asuni, who, being eligible, offer themselves for re-election. Details of their biographical details are contained in Page 9 of the Annual Reports.

11. Management Team

The day to day management of the business is the responsibility of the Managing Director who is assisted by a Management Team made up of Heads of all the departments in the Company. The Management Team holds regular meetings to deliberate on critical issues affecting the day to day running of the organization.

The Company has in place a documented succession plan for every executive and senior management role within the Company. The composition of the Management Team is as set out in Page 10 of the Annual Reports.

12. Risk Management, Internal Control and Compliance.

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets in line with the SEC Code, the relevant statutes and GSK policies. The system of internal control is to provide reasonable assurance against material misstatement or loss.

There exists an effective internal control and Compliance function within the Company which gives reasonable assurance against any material misstatement or loss. The Board's responsibilities in this regard include oversight of internal audit and control, risk assessment and compliance, continuity and contingency planning, and formalization and improvement of the Company's business processes. The Board ensures that there exist robust risk management policies and mechanisms to ensure identification of risk and effective control.

13. Insiders Trading

The company has adopted a Securities Trading Policy regarding securities transactions by its directors. The company has made specific enquiries of all directors and there have not been any non compliance with the listing rules and the Issuer's code of conduct regarding securities transactions by directors.

The Board ultimately has the responsibility for the Company's compliance with the rules relating to insider trading. The Company's directors, executives and senior employees are prohibited from dealing with the Company's shares in accordance with the Investments & Securities Act, 2007. As required by law, the shares held by directors are disclosed in the annual report.

14. The Anti Bribery & Corruption (ABAC) Program

According to Andrew Witty, the global CEO of GSK, "there is no greater priority for GSK than the ethical conduct of its people. GSK exist to improve patients' lives, everything we do must be in the best interest of the patient. No matter where we operate in the world, in our interactions with patients, prescribers, payers and governments, we must live our values of respect for people, transparency, integrity and patient focused".

Nowhere is GSK's commitment to ethical conduct more evident than in the area of corruption prevention and detection. At GSK, our attitude towards corruption in all its forms is simple: it is one of zero tolerance.

To fully support its zero -tolerance attitude to corruption and un-ethical practices, the Company has rolled out the ABAC programme. The programme sets out procedures and guidance on how to manage the risk of corruption when dealing with third parties:

- To ensure compliance with GSK-POL-007 - Preventing Corrupt Practices and Maintaining Standards of Documentation (the "GSK Anti-Bribery and Corruption Policy").
- To ensure that GSK hold itself and its business

partners to the highest standards of integrity and adherence with all relevant laws and regulations.

- To provide the protective contractual provisions for use when contracting with third parties and to provide guidance on ongoing monitoring
- To identify potential corruption red flags and mitigate potential exposure to corruption risks that GSK encounters through our third party interactions.
- To ensure that key decisions related to third party selection and payment are appropriately documented.

15.Code of Conduct & Whistle Blowing

Our Code of Conduct and accompanying training, seeks to ensure everyone at GSK understands how to put our values into practice. Mandatory training on the Code helps our employees gain the confidence to make the right decisions and report any concerns through our Speak up programme.

Our Speak up programme offers people within and outside GSK a range of channels to voice concerns and report misconduct without fear of reprisal. These include telephone and internet channels run by independent external operators to enable anonymous reporting.

We updated the Code of Conduct in 2014 to reinforce the critical role our values play in protecting our reputation and commercial success.

16. Complaints Management Policy

We have in place a Complaints Management Policy (the Policy) in accordance with the requirements of the Securities and Exchange Commission. The Policy sets out the broad framework for handling shareholder compliant in a fair, impartial, efficient and timely manner. The Policy can be accessed via the company's website.

17. Regulatory Returns to the Securities & Exchange Commission (SEC) and The Nigerian Stock Exchange (NSE)

The Company is in compliance with the following regulatory requirements:

SEC:

- Return on Code of Corporate Governance in Nigeria
- Return on Monitoring of Unclaimed Dividend
- Submission of Quarterly Un-audited trading Results

NSE:

- Interim Financial Reporting
- Submission of Quarterly Un-audited trading Results

18. Accountability, Reporting and Corporate Communication.

The Board ensures timely, accurate and continuous disclosure of information and activities of the Company to all shareholders, stakeholders, regulators and the general public so as to provide a balanced and fair view of the company including its non-financial matters. The Company has a functional website at www.gsk.com/ng.

19. Unclaimed Dividend Fund

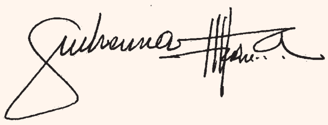
Total unclaimed dividend fund in the Company stood at approximately ₦773million as at 31st December, 2015. In recent times, the Company has taken steps to ensure that all Shareholders can retrieve all their unclaimed dividends.

The steps are highlighted below.

- A list of Unclaimed Dividend was circulated along with the 2013 Annual Report
- A form for e-allotment was included in the 2008-2014 Annual Reports for shareholders to complete and return.
- The issue of unclaimed dividend was highlighted in the Notices of the AGM as well as in the 2014 Annual reports.
- Our Registrars GTL Registrars (formerly Union Registrars) has opened 6 branches outside Lagos State to better serve as a distribution point for shareholders.
- Some of the shareholders who have completed and returned their forms to the Registrars were paid their Dividend through the e- payment platform by the Registrars in the current year

The Company and the Registrars are working together to ensure that there is an increase in the number of shareholders who subscribe to the e-dividend process for dividend payment in 2014 and going forward. All shareholders are encouraged to fill out the e-dividend payment form attached to the Annual Report and return same to the Registrars for processing.

Shareholders are strongly advised to contact the Company's Registrars or the Company Secretary to retrieve their unclaimed dividends.



Uche Uwechia
Company Secretary
March 9, 2016.

INFORMATION IN RESPECT OF GENERAL MANDATE

The aggregate value of all transactions entered into with related companies during the financial year as stated on pages 60 to 63 of this Annual Report and Accounts is more than 5% of the latest net tangible assets or the issued share capital of the Company.

In order to ensure smooth operations, the Company will continue to procure goods and services that are necessary for its operations from related companies in the next financial year and hereby seeks a general mandate from shareholders for the related company transactions of trading nature and those necessary for the day-to-day operations, that are more than 5% of the latest net tangible assets or the issued Share Capital of the Company.

Relevant items for the consideration of the Shareholders are stated below:

i. The class of interested persons with which the Company will be transacting during the next financial year are subsidiaries of GlaxoSmithKline plc UK;

ii. The transactions with the related companies are transactions of trading nature and those necessary for the day-to-day operations;

iii. The rationale for the transactions is that they are indispensable to the operations of the company, cost effective and makes the products of the Company to be competitive;

iv. The method and procedure for determining transaction prices are based on the transfer pricing policy;

v. KPMG Advisory Services, the transfer pricing consultants of the Company, gave opinion based on the transfer pricing compliance exercise it earlier conducted that the method and procedure in (iv) are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the issuer and its minority shareholders;

vi. The audit committee of the Company confirms that the transfer pricing method and procedure for determining the transaction prices as earlier reviewed by KPMG Advisory Services are adequate;

vii. The Company shall obtain a fresh mandate from shareholders if the method and procedure in (iv) become inappropriate; and

viii. The interested person shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction.

ENDORSED BY THE SOCIETY FOR THE STUDY OF PAIN, NIGERIA.
gsk
Panadol
Extra
RELIEVES
5 TYPES
OF PAIN
PANADOL EXTRA
PANADOL EXTRA
Panadol
Extra
Extra effective pain relief
Reduces fever
Gentle on the stomach
Paracetamol 500mg B.P. and Caffeine 30mg
10x10 CAPLETS
Easy to swallow Caplets
✓ Headache
✓ Toothache
✓ Backache
✓ Muscle Ache
✓ Menstrual Pain
WHEN PAIN IS GONE
LIFE TAKES ITS PLACE
ALWAYS READ LABEL BEFORE USE.
IF SYMPTOMS PERSIST AFTER 2 DAYS CONSULT YOUR DOCTOR.

Report of the Directors
For the year ended 31 December 2015

The Board of Directors of GlaxoSmithKline Consumer Nigeria Plc ("GSK" or the "company") is pleased to present the annual report together with the company's audited financial statements for the year ended 31 December 2015 which discloses the state of affairs of the company.

1. Principal activities

The company is engaged in the manufacture, marketing and distribution of a wide range of healthcare brands that are well established in Nigeria. These include the Consumer Healthcare brands such as Panadol, Andrews Liver Salt, Macleans, Sensodyne, Scotts Emulsion, Lucozade, and Ribena, and a range of internationally acclaimed pharmaceuticals, including Ampiclox, Amoxil and Augmentin (antibiotics), Zentel (the anthelmintic), Halfan (the anti-malarial) and vaccines.

2 Operating results

The following is a summary of the group operating results:	COMPANY	
	2015 N'000	2014 N'000
Turnover	30,634,708	30,521,127
Profit for the year before taxation	1,157,514	2,752,216
Taxation	(192,467)	(903,374)
Profit after taxation	965,047	1,848,842
Retained earnings	12,535,880	12,418,498

3 Dividend

Your Board is pleased to recommend to members a dividend of N358.76m to be paid for the year to shareholders, representing 30k per ordinary share subject to the approval of shareholders. The dividend will be payable on 24 June 2016. Withholding tax at the applicable rate will be deducted at the time of payment and will be paid to the appropriate state or federal tax authorities.

4 Directors

The Directors who served during the year and to the date of this report are:

Mr. Edmund Onuzo	Chairman
Mr. Dayanand Thandalam Sriram (Indian)	Managing Director
Mr. Jonathan Murray (British)	Finance Director (resigned with effect from 21 February 2016)
Mr. Jonathan Girling (British)	
Mr. Justin Korte (South African)	(resigned with effect from 15 February 2016)
Mr. Chinedum Okereke	
Mr. Samuel Kuye	
Mr. Lekan Asuni	
Mr. Tunde Lemo, OFR	
Mrs. Lubabatu Bello	
Mr. Andries Van Rooijen (South African)	(appointed with effect from 10 March 2016)
Mr. Adediran Aderemi	(appointed with effect from 10 March 2016)

5. Board changes

Since the last Annual General Meeting, there have been some changes in the composition of the Board.

Mr. Justin Korte and Mr. Jonathan Murray had resigned their appointments from the board with effect from 15 February 2016 and 21 February 2016 respectively to pursue other interests outside the Company. We wish them success in their future endeavour.

Mr. Andries Van Rooijen and Mr. Adediran Aderemi have been appointed as non- executive director and executive director, respectively, of the company with effect from 10 March 2016. In accordance with Section 249(2) of Companies Allied Matters Act, (CAP C20) Laws of the Federation of Nigeria 2004, a resolution will be proposed at the Annual General

Meeting approving their appointments as non-executive director and executive director respectively.

6. Directors to retire by rotation

The Directors to retire by rotation at this Annual General Meeting in accordance with Article 91 of the company's Articles of Association are Mr. Chinedum Okereke, Mr. Samuel Kuye and Mr. Lekan Asuni, who, being eligible, offer themselves for re-election. Their Biographical details are contained in the directors section of the annual report.

7 Directors' interest in share capital

The directors' interests in the Company's ordinary shares as at either 31st December 2015 are as follows:

Name	Direct holding	Indirect	Total
Mr. Edmund C. Onuzo	203,504	–	203,504
Mr. Thandalam Dayanand Sriram	–	–	–
Mr. Jonathan Murray	–	–	–
Mr. Jonathan Girling	–	–	–
Mr. Justin Korte	–	–	–
Mr. Chinedum Okereke	–	–	–
Mr. Samuel Kuye	739	75,000	75,739
Mr. Lekan Asuni	–	–	–
Mr. Tunde Lemo, OFR	100,000	–	100,000
Mrs. Lubabatu Bello	–	–	–

8. Beneficial ownership

None of the directors has any beneficial interest in shares of the company except as stated in paragraph 7 above. Mr. Sameul Kuye is a joint beneficial owner of the 75,000 ordinary shares held by Stanbic IBTC Asset Management Limited.

9. Directors' interest in contracts

None of the directors had notified the company for the purpose of Section 277 of the Companies and Allied Matters Act, of any declarable interest in contracts with which the company is involved as at 31 December 2015.

10. Value of assets

Particulars of the changes arising from additions and disposal of fixed assets during the year are contained in Note 15 to the financial statements. Details of the other assets of the company as at 31 December 2015 are given in Notes 16 to 20 to the financial statements.

11. Analysis of shareholding and bonus issue

The issued and fully paid-up share capital of the company is ₦478, 350,595 divided into 956,701,190 ordinary shares of 50k each. Of this 512,635,649 shares equivalent to 53.6 per cent are held by Nigerian shareholders, while 444,065,541 shares equivalent to 46.4 per cent are held by GlaxoSmithKline plc UK through its wholly owned subsidiaries, Setfirst Limited and SmithKline Beecham Limited as at 31 December 2015. The Share capital of the Company was increased from ₦480,000,000 to ₦750,000,000 by the creation of 540,000,000 new ordinary shares of 50 kobo each to bring the total number of shares to 1,500,000,000 ordinary shares of 50 kobo each.

At the 44th Annual General Meeting of the 11th June 2015, the shareholders approved the capitalization of ₦120,000,000 from the general reserves account for the purposes of payment of 240,000,000 new shares of 50kobo each to members on the basis of 1 new share for every existing 4 shares. Pursuant to this resolution, the company is awaiting regulatory approval to allot 239,175,298 bonus shares to members in line with the resolution.

Range	Number of shareholders	Holders %	Number of holdings	% shareholding
1-1000	9,918	38.77	4,211,814	0.44
1,001-5,000	10,275	40.17	26,055,396	2.72

5,001- 10,000	2,499	9.77	18,164,573	1.90
10,001- 50,000	2,302	9.00	48,133,128	5.03
50,001 – 100,000	272	1.06	19,644,412	2.05
100,001 – 500,000	214	0.84	46,601,297	4.87
500,001 – 1,000,000	37	0.14	25,795,061	2.70
1,000,001 – Above	64	0.25	768,095,509	80.29
Grand Total	**25,581**	**100**	**956,701,190**	**100**

12 Substantial interest in shares

According to the Register of Members, the following shareholders of the company held more than 5 per cent of the issued share capital of the company on 31 December 2015:

Shareholder	Number of shares held	% Holding
Setfirst Limited	261,275,035	27.31
Smithkline Beecham Limited	182,790,506	19.11
Stanbic Nominees Limited	96,486,569	8.49

13. Unclaimed Dividends

The unclaimed dividend in the books of the company as at 31 December 2015 was N773m. They were in respect of Payments 26 to 37 of the shareholders of GlaxoSmithKline Consumer Nigeria plc and its legacy companies.

14. Donations

We work as a partner with under-served communities within the country supporting programmes that are innovative, sustainable and bring real benefits to these communities. We are dedicated to strengthening the fabric of communities through providing health and education initiatives and support for local civic and cultural institutions that improve the quality of life.

Our cash giving was targeted primarily at the SOS Villages Nigeria and we donated the sum of N4.2 million to the SOS village. Further details on our works with communities are contained in the Corporate Responsibility Report.

In compliance with section 38 (2) of the Companies and Allied Matters Act Cap C 20, Laws of the Federation of Nigeria 2004 the company did not make any donation or gift to any political party, political association or for any political purpose during the year under review.

15. Human resources development

During the year, the company invested in the training and development of its workforce through in-plant and external trainings (both local and overseas). Training areas include leadership, IT and technical skills, as well as team-building initiatives.

The company carried out periodic talent review to identify its existing talent pool as well as strengthen its human capital. In 2015, the company paid very close attention to the differentiated development plan of its workforce which was tied to its articulated 6-point GSK-Expectations for Individuals and for Leaders. Deepening and strengthening the talent pool remains a strong imperative for the business in view of its aggressive growth agenda.

As a company with a very strong ethical culture, during the year we rolled out extensive compliance and ethics training with emphasis on strong ethical and compliance behaviours. It is a fundamental belief that our performance at GSK must be backed by integrity.

In recognition of the fact that seamless communication within the team is integral to high performance, GSK's communication channels are designed to keep employees informed, engaged and involved in activities across all areas of our organization. The Company encourages two-way, open and honest communication with employees. Employees are encouraged to speak up whenever they have concerns. The company has in place, a very strong and elaborate confidential line reporting structure that enables employees to raise their concerns without fear of victimization or reprisal.

The company's code of conduct for employees is based on the company's core values of integrity, performance, innovation, enthusiasm of entrepreneur, passion and sense of urgency. Above all, the conduct of every employee is

Reports of the Directors Cont'd

expected to achieve the company's mission of improving the quality of human life by enabling people to do more, feel better and live longer.

16. Employment of physically challenged persons
The company continued to pursue its policy of non-discrimination in matters of employment and is committed to offering people with disabilities access to the full range of recruitment and career opportunities to develop to their fullest potential. Currently, the company has in its employment a staff that is physically challenged.

17. Diversity and inclusion
GSK is committed to employment policies free from discrimination against existing or potential employees on the grounds of age, race, ethnic and national origin, gender, sexual orientation, faith or disability. The company's workforce consists of a fair proportion of the genders and is drawn from diverse tribes and cultures within and outside Nigeria. The company continues to recognize the need for diversity and inclusion in leadership including the need to promote gender equality and equity in leadership.

18. Environment health and safety
The company operated in an environmentally responsible manner. To meet our mission and implement our strategy, employee health and performance initiatives focus on the health factors that enable employees to perform at the highest level by sustaining energy and engagement. The programmes developed to deliver this health strategy range from the traditional - such as immunisations, smoking control, and weight management - to cutting-edge programmes in the areas of team and personal resilience, ergonomics and Energy for Performance. They are complimented by our commitment to flexible working that enables employees to do their best work in an environment that helps them integrate their work and personal lives. The company had invested heavily to improve the work environment to make it more stimulating and fun. The health and safety of our employees, visitors and contractors is a high priority for GSK and hazards associated with our operations are continually identified, assessed and managed to eliminate or reduce risks. The company regularly updates its staff on current issues as they relate to diseases including HIV/AIDS, Ebola, Lassa Fever, malaria, cancer and other serious diseases through health talks, health assessments and information sharing.

19. Major distributors
The company's products are distributed through numerous distributors who are spread across the whole country.

20. Suppliers
The company obtains all its raw materials from both overseas and local suppliers. Amongst its overseas suppliers are companies in the GlaxoSmithKline Group.

21. General licensing agreement
The company has a general license and technical service agreement with Beecham Group plc, a member of the GlaxoSmithKline group of companies. Under the agreements, technological, scientific and professional assistance are provided for the manufacture, marketing, quality control and packaging of the company's products; new products development and training of personnel abroad. Access is also provided for the use of patents, brands, inventions and know-how. The agreements require the approval of the National Office for Technology Acquisition and Promotion. In addition, the company is involved in seeking out and testing appropriate local raw materials of the required specification to substitute for their imported equivalents.

Following the sale of Lucozade and Ribena brands by GSK PLC UK to Suntory, the new trading arrangement for the bottling and sale of the two brands is with Lucozade Ribena Suntory Limited, a Suntory subsidiary, following a novation arrangement effective 1 January 2014.

22. Acquisition of own shares
The company did not purchase its own shares during the year.

23. Independent auditors
In accordance with, and in compliance with the Securities and Exchange Commission Code of Corporate Governance which requires that external auditors who have audited the Company's account for ten (10) years be changed, Messrs. Akintola Williams Deloitte were appointed as the external Auditors for the Company at the 44th Annual General Meeting.
In accordance with Section 357(2) of the Companies and Allied Matters Act, Messrs. Akintola Williams Deloitte have indicated their willingness to continue in office and pursuant to Section 361(1) (b) of that Act, a resolution will be proposed at the Annual General Meeting to empower the directors to determine their remuneration.

24. Non-Binding Offer by Suntory
Suntory Beverage & Foods Ltd (Suntory) has made a non-binding offer to acquire GSK Nigeria's drinks business, which bottles and distributes Ribena and Lucozade and part of the Agbara manufacturing site.

The Board is considering the offer and expects to make a decision after the appointment of its professional advisers and negotiation with Suntory Beverage & Foods Limited. Any potential sale would be subject to shareholders' and regulatory approvals.

By Order of the Board

Uche Uwechia, Esq.
Company Secretary
FRC/2013/NBA/00000001970

Registered Office:
GlaxoSmithKline Consumer Nigeria plc
GSK House, 1 Industrial Avenue,
Ilupeju, Lagos.
9 March 2016

Statement of Directors' Responsibilities

The Directors of GlaxoSmithKline Consumer Nigeria Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and Company as at 31 December 2015, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, No 6, 2011.

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

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

d. making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

a. designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;

b. maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;

c. maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;

d. taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and

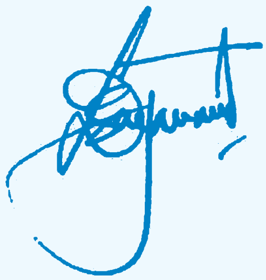
e. preventing and detecting fraud and other irregularities.

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2015 were approved by the directors on 9 March 2016.

On behalf of the Directors of the Group.

Mr. Edmund C. Onuzo
Chairman
FRC/2015/IODN/00000011038
9 March 2016



Mr. Dayanand Thandalam Sriram
Managing Director
FRC/2014/IODN/00000010391
9 March 2016

Independent Auditor's Report

Deloitte.

TO THE MEMBERS OF GLAXOSMITHKLINE CONSUMER NIGERIA PLC

We have audited the accompanying consolidated and separate financial statements of **GlaxoSmithKline Consumer Nigeria Plc. ("the Company") and its subsidiary (together referred to as "the Group")** which comprise the consolidated and separate statement of financial position as at 31 December 2015, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity, cash flows, value added for the year then ended, a summary of significant accounting policies, financial summaries and other explanatory information.

Directors' Responsibility for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of **GlaxoSmithKline Consumer Nigeria Plc and its subsidiary** as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004, we expressly state that:

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

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

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

Abraham Udenani, FCA - FRC/2013/ICAN/00000000853

for: **Akintola Williams Deloitte**
Chartered Accountants
Lagos, Nigeria
15th March, 2016.

Akintola Williams Deloitte Chartered Accountants, Lagos, Nigeria

Audit Committee Report

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF GLAXOSMITHKLINE CONSUMER NIGERIA PLC

In accordance with Section 359(6) of the Companies and Allied Matters (Cap C20) Laws of the Federation of Nigeria 2004 we confirm that we have examined the Auditors' Report for the year ended 31st December 2015.

In our opinion, the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

We have reviewed the scope and planning of the audit and the External Auditors' Management Report for the year under review as well as Management responses thereon.

We are satisfied with the responses to our questions and the state of affairs at GlaxoSmithKline Consumer Nigeria plc.

Mr. K.A. Taiwo FCA
Chairman, Audit Committee
FRC/2013/ICAN/00000002890
Lagos, Nigeria
Dated this 9th day of March 2016

Members of the Audit Committee and the Company Secretary

1. Mr. K. A. Taiwo (Chairman) 2. Chief S.O. Ogunnowo 3. Mr. Y.T. Mosuro 4. Mr. Tunde Lemo, OFR
5. Mr. C.A. Okereke 6. Mr. S. O. Kuye 7. Mr. Uche Uwechia, Esq. (Company Secretary)

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Note	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Revenue	5	30,634,708	30,521,127	30,634,708	30,521,127
Cost of sales	6b	(20,308,465)	(19,719,655)	(20,308,465)	(19,719,655)
Gross profit		10,326,243	10,801,472	10,326,243	10,801,472
Investment income	7	33,903	59,487	22,996	49,295
Other gains and losses	8	(612,994)	(838,285)	(612,994)	(851,249)
Selling and distribution costs	6a	(5,699,512)	(5,638,691)	(5,699,514)	(5,638,687)
Administrative expenses	6a	(2,886,423)	(2,179,560)	(2,884,246)	(2,174,717)
Licence fee recovery	9	–	552,908	–	552,908
Finance costs	10	(3,703)	(5,115)	(3,703)	(5,115)
Profit before tax		1,157,514	2,752,216	1,148,782	2,733,907
Income tax expense	13	(192,467)	(903,374)	(192,467)	(903,374)
Profit for the year attributable to owners of the parent		965,047	1,848,842	956,315	1,830,533
Other comprehensive income, net of income tax: Items that will not be reclassified to profit or loss:					
Remeasurement loss on post employment benefit obligations	25	(15,073)	(3,715)	(15,073)	(3,715)
Income tax effect	13	4,522	1,115	4,522	1,115
Other comprehensive income for the year, net of tax		(10,551)	(2,600)	(10,551)	(2,600)
Total comprehensive income for the year, net of tax		954,496	1,846,242	945,764	1,827,933
Profit for the year attributable to:					
Owners of the Company		965,047	1,848,842	956,315	1,830,533
Non-controlling interest		–	–	–	–
		965,047	1,848,842	956,315	1,830,533
Total comprehensive income for the year attributable to:					
Owners of the Company		954,496	1,846,242	945,764	1,827,933
Non-controlling interest		–	–	–	–
		954,496	1,846,242	945,764	1,827,933
Earnings per share (Kobo)					
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent	14	96	193	96	191

The accompanying notes on pages 35 to 69 and non-IFRS statements on pages 70 to 72 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position

For the year ended 31 December 2015

	Note	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Assets					
Non-current assets					
Property, plant and equipment	15	13,751,342	13,419,394	13,751,342	13,419,394
Other assets	19	122,900	63,266	122,900	63,266
Investment in subsidiary	16	–	–	160	160
		13,874,242	13,482,660	13,874,402	13,482,820
Current assets					
Inventories	17	7,418,238	7,589,550	7,418,238	7,589,550
Trade and other receivables	18	6,236,265	4,977,242	6,236,265	4,977,242
Other assets	19	162,645	246,904	162,645	244,722
Cash and bank balances	20	3,638,323	1,696,512	3,430,314	1,494,704
		17,455,471	14,510,208	17,247,462	14,306,218
Total assets		31,329,713	27,992,868	31,121,864	27,789,038
Equity and liabilities					
Equity					
Issued share capital	21	597,939	478,351	597,939	478,351
Share premium	21	51,395	51,395	51,395	51,395
Retained earnings		12,535,880	12,418,498	12,345,132	12,236,482
Total equity		13,185,214	12,948,244	12,994,466	12,766,228
Non-current liabilities					
Retirement benefit obligations	25	169,245	130,975	169,245	130,975
Deferred tax liabilities	13	1,843,865	1,692,834	1,843,865	1,692,834
Total non-current liabilities		2,013,110	1,823,809	2,013,110	1,823,809
Current liabilities					
Trade and other payables	26	15,725,770	11,891,919	15,722,973	11,889,115
Income tax payable	13	405,619	1,328,896	391,315	1,309,886
Total current liabilities		16,131,389	13,220,815	16,114,288	13,199,001
Total liabilities		18,144,499	15,044,624	18,127,398	15,022,810
Total equity and liabilities		31,329,713	27,992,868	31,121,864	27,789,038

The consolidated and separate financial statements on pages 31 to 72 were approved and authorised for issue by the Board of Directors on 9 March 2016 and signed on its behalf by:

Mr. Edmund C. Onuzo
Chairman
FRC/2015/IODN/00000011038

Mr. Dayanand Thandalam Sriram
Managing Director
FRC/2014/IODN/00000010391

Mr. Nelson A. Sanni (FCA)
Head, Corporate Reporting
FRC/2013/ICAN/00000004921

The accompanying notes on pages 35 to 69 and non-IFRS statements on pages 70 to 72 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2015

GROUP	Note	Issued share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
At 1 January 2014		478,351	51,395	11,815,968	12,345,714
Profit for the year		–	–	1,848,842	1,848,842
Other comprehensive income		–	–	(2,600)	(2,600)
Total comprehensive income		–	–	1,846,242	1,846,242
Payment of dividends		–	–	(1,243,712)	(1,243,712)
At 31 December 2014		478,351	51,395	12,418,498	12,948,244
Profit for the year		–	–	965,047	965,047
Other comprehensive income		–	–	(10,551)	(10,551)
Total comprehensive income		–	–	954,496	954,496
Bonus issued		119,588	–	(119,588)	–
Payment of dividends		–	–	(717,526)	(717,526)
At 31 December 2015		**597,939**	**51,395**	**12,535,880**	**13,185,214**

COMPANY	Issued share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
At 1 January 2014	478,351	51,395	11,652,261	12,182,007
Profit for the year	–	–	1,830,533	1,830,533
Other Comprehensive Income	–	–	(2,600)	(2,600)
Total comprehensive income	–	–	1,827,933	1,827,933
Payment Dividends	–	–	(1,243,712)	(1,243,712)
At 31 December 2014	478,351	51,395	12,236,482	12,766,228
Profit for the year	–	–	956,315	956,315
Other comprehensive Income	–	–	(10,551)	(10,551)
Total comprehensive Income	–	–	945,764	945,764
Bonus	119,588	–	(119,588)	–
Payment Dividents	–	–	(717,526)	(717,526)
At 31 December 2015	**597,939**	**51,395**	**12,345,132**	**12,994,466**

The accompanying notes on pages 35 to 69 and non-IFRS statements on pages 70 to 72 form an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

For the year ended 31 December 2015

	Note	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Cash flows from operating activities					
Profit for the year		965,047	1,848,842	956,315	1,830,533
Adjustment for:					
Income tax expense recognised in profit or loss	13	192,467	903,374	192,467	903,374
Depreciation of property, plant and equipment	15	1,441,133	1,144,230	1,144,133	1,144,230
Loss/(gain) on disposal of property, plant and equipment	8	1,789	(8,248)	1,789	(8,248)
Interest on short term deposit	7	(33,903)	(59,487)	(22,996)	(49,295)
Exchange loss/(gain)	8	602,014	(44,549)	602,014	(44,549)
Unrealised exchange (gain)/loss on operating activity	8	(20,645)	893,137	(20,645)	893,137
Finance costs recognised in profit or loss	10	3,703	5,115	3,703	5,115
Net charge on defined benefit obligations	25	23,197	28,125	23,197	28,125
Impairment of property plant and equipment	6	131,657	–	131,657	–
Impairment of trade receivables	6	352,091	102,608	352,091	102,608
Working capital adjustments:					
Decrease/(increase) in inventories		171,311	(1,973,212)	171,311	(1,973,216)
Increase in trade receivables		(1,611,114)	(1,024,940)	(1,611,114)	(991,566)
Decrease in other assets		24,626	192,054	22,443	187,651
Increase in trade and other payables		3,854,495	209,331	3,854,503	215,318
		6,097,868	2,216,380	6,097,868	2,243,217
Defined benefit obligation paid	25	–	(36,974)	–	(36,974)
Interest paid	10	(3,703)	(5,115)	(3,703)	(5,115)
Income tax paid	13	(960,190)	(822,239)	(955,484)	(822,239)
Net cash flows from operating activities		5,133,975	1,352,052	5,138,681	1,378,889
Cash flows from Investing activities					
Proceeds from sale of property, plant and equipment		15,159	43,615	15,159	43,615
Interest received	7	33,903	59,487	22,996	49,295
Purchase of property, plant and equipment	15	(1,921,686)	(2,477,134)	(1,921,686)	(2,477,134)
Net cash flows used in investing activities		(1,872,624)	(2,374,032)	(1,883,531)	(2,384,224)
Cash flows from financing activities					
Dividends paid to owners of the company	24	(717,526)	(1,243,712)	(717,526)	(1,243,712)
Net cash flows used in financing activities		(717,526)	(1,243,712)	(717,526)	(1,243,712)
Net increase/ (decrease) in cash and cash equivalents		2,543,825	(2,265,692)	2,537,624	(2,249,047)
Cash and cash equivalents at 1 January		1,696,512	3,917,655	1,494,704	3,699,202
Exchange (loss)/gain on cash and cash equivalents		(602,014)	44,549	(602,014)	44,549
Cash and cash equivalents at 31 December	20	3,638,323	1,696,512	3,430,314	1,494,704

The accompanying notes on pages 35 to 69 and non-IFRS statements on pages 70 to 72 form an integral part of these consolidated and separate financial statements

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2015

1. Corporate Information

The Company is a public limited liability company incorporated in 1971 and domiciled in Nigeria where its shares are publicly traded. 46.4% of the shares of the Company are held by Setfirst Limited and Smithkline Beecham Limited (both incorporated in the United Kingdom); and 53.6% by Nigerian shareholders. The ultimate parent and ultimate controlling party is GlaxoSmithlkline Plc, United Kingdom (GSK Plc UK). GSK Plc UK controls the Company through Setfirst Limited and Smithkline Beecham Limited.

The registered office of the Company is located at 1 Industrial Avenue, Ilupeju, Lagos.
The principal activities of the Group are manufacturing, marketing and distribution of consumer healthcare and pharmaceutical products.

The consolidated financial statements of the Group for the year ended 31 December 2015 comprise the result and the financial position of GlaxoSmithkline Consumer Nigeria Plc (the company) and its wholly owned subsidiary– Winster Pharmaceuticals Limited which has no turnover for the current year following the sale of its only product to a third party on 30 April 2012.

The separate financial statements of the Company for the year ended 31 December 2015 comprise those of the company only.
These consolidated and separate financial statements for the year ended 31 December 2015 have been approved for issue by the directors on 9 March, 2016.

2. Application Of New And Revised International Financial Reporting Standard (IFRS)

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2015 and have a material impact on the group:

(i) AS 32 Financial Instrument: Presentation

An amendment to IAS 32 'Offsetting financial assets and financial liabilities' was issued in December 2011 and became effective from 1 January 2015. The amendment provides additional guidance on when financial assets and financial liabilities may be offset.

New standards and interpretations not yet adopted

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. The Group intends to adopt these standards when they become effective.

(ii) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

(iii) IFRS 15 Revenue from contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

2.1 Amendments to IFRS that are mandatorily effective for the current year.

In the current year, the Group has applied a number of amendments to IFRS issued by International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

(i) Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The Group has applied the amendments for the first time in the current year. Prior to the amendments, the Group accounted for discretionary employee contributions to defined benefit plans as a reduction of the service cost when contributions were paid to the plans, and accounted for employee contributions specified in the defined benefit plans as a reduction of the service cost when services are rendered. The amendments require the Group to account for employee contributions as follows:

- Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans. Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.
- Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Group recognises the reduction in the service cost in the period in which the related services are rendered.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

2.2 New and revised IFRS in issue but not yet effected

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests In Joint Operations[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[1]

1. Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2. Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

(I) IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
  Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not

subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

(ii) IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

(iii) Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.
A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(iv) Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.
The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Group's consolidated financial statements.

(v) Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or
(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

(vi) Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

(vii) Amendments to IFRS 10 and IAS 28 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 amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(viii) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

3. Summary of significant accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated and separate financial statements:

3.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) that are effective at 31 December, 2015 and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and Finance Reporting Council (FRC) Act of Nigeria.

3.2 Basis of preparation

The consolidated and separate financial statements have been prepared on a historical cost basis and are presented in Naira. All values are rounded to the nearest thousand (N'000), except when otherwise indicated.

3.3 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiary (Winster Pharmaceutical Limited) as at 31 December 2015.

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.
Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The investments in subsidiary is valued at cost within the Company financial statements.

3.4 Business combinations

Business combinations are accounted for using the acquisition accounting method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. The costs of acquisition are charged to the income statement in the period in which they are incurred. Where not all of the equity of a subsidiary is acquired the noncontrolling interest is recognised either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. Changes in the Group's ownership percentage of subsidiaries are accounted for within equity.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.
For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units

(or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.6 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.
When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.
Revenue is recognised in profit or loss when goods or products are supplied to external customers against orders received and title and risk of loss has passed to the customer, reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the revenue process is being regarded as complete.

Revenue represents the net invoice value, after deduction of any trade / volume discounts that can be reliably estimated at point of sale, less accruals for estimated future rebates and returns.

Dividend and Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss. Dividend is recognised when the Group's right to receive the payment is established, which is generally when it is approved by shareholders.

Rental Income

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

3.8 Foreign currencies

(I) Functional and presentation currency

The Group measures the items in its financial statements using the currency of the primary economic environment in which it operates (the functional currency); the financial statements are presented in Nigerian Naira which is the Group's presentation and functional currencies.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.9 Taxes

Current income tax

The current income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Companies Income Tax Act (CITA), CITA is assessed at 30% of the adjusted profit while Education tax is assessed at 2% of the assessable profits.

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost of purchase or construction, less accumulated depreciation and accumulated impairment loss if any. Such cost includes the cost of replacing component parts of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the profit or loss as incurred.

Depreciation on the categories of property, plant and equipment is calculated to write off the cost less the residual value of the asset, using the straight-line basis, over the assets' expected useful life. The normal expected useful life for the major categories of property, plant and equipment are:

Leasehold land	Over the life of the lease
Buildings	Lower of lease term or 50 years
Plant and machinery	10 to 15 years
Furniture, fittings and equipment	4 to 7 years
Motor vehicles	4 years

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

carrying amount of the asset) is included in the profit or loss when the asset is derecognised.
The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

3.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.
Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

3.12 Financial instruments — initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. For all the years presented the Group's financial assets are classified as loans and receivables.

All financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. The Group's financial assets include cash and short-term deposits, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs.

Trade and other receivables

Trade receivables are carried at amortised cost amount less any allowance for impairment. When a trade receivable is determined to be uncollectable, it is written off, firstly against any provision available and then to profit or loss.

Subsequent recoveries of amounts previously provided for are credited to profit or loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(ii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

In the case of trade receivables, allowance for impairment is made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other operating expense in the profit or loss.

(iii) Financial liabilities at amortized cost

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Group's financial liabilities include only trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss. In the case of trade and other payables, the amortised cost equals the nominal value.

Derecognition

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

(iv) Offsetting of financial instruments

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

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.14 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.15 Impairment of non-current assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

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

3.16 Pensions and other post-employment benefits

The Group operates a gratuity scheme for a certain category of employees and a pension fund scheme for the benefit of all of its employees.

(i) Gratuity scheme: these are benefits payable to employees on retirements or resignation and are unfunded. The gratuity scheme is a defined benefit plan. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements for this defined benefit plan are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.
Past service costs are recognised immediately in the income.

The defined benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on Federal Government Bond), less past service costs.

(ii) Pension fund scheme: the Group in line with the provisions of the Pension Reform Act 2014, which repealed the Pension Reform Act No. 2 of 2004, has a defined contribution pension scheme for its employees. Contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to the profit or loss. The Group contributes 10% while the employees contribute 8% of the pensionable emoluments.

(iii) Bonus plan: the Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit for the year and the performance rating of each staff. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

3.17 Segment report

The Group defines it segments on the basis of business sectors. The segments are reported in a manner consistent with internal reporting guidelines provided by the GSK Group (UK).

The Group's segment report has been prepared in accordance with IFRS 8 based on operating segment and product ownership identified by the Group and takes geographical reporting into considerations. The operating segments consist of Pharmaceuticals (Prescription drugs and vaccines) and Consumer Healthcare (Oral care, OTC medicines and nutritional healthcare). The Group's management reporting process allocates segment revenue and related cost on the basis of each operating segment. There are no sales between the operating segments.

3.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated.

3.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. "

3.20 Borrowing costs

General and specific 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.21 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.22 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.23 Research and development

Research and development expenditure is charged to the income statement in the period in which it is incurred. Property, plant and equipment used for research and development is capitalised and depreciated in accordance with the Group's policy.

3.24 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

Going concern

The directors do not consider Winster Pharmaceutical Limited (the wholly owned subsidiary) to be a going concern. This is as a result of the sale of the Company's only product - Cafenol, to a third party on 30 April 2012. The implication of this is that the assets of the Company have been stated at their realisable values and liabilities are all treated as current.

Gratuity benefits

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

In determining the appropriate discount rate, management considers the interest rates of government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Future salary increases are based on expected future inflation rates in Nigeria.

Further details about the assumptions used are given in Note 24.

Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate provision for the rectification costs.

Estimates and assumptions

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

Taxes

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

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted by the balance sheet date.

Year end translation rate

IAS 21 requires that at each reporting period, monetary assets and liabilities be translated using the closing rate. When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. In prior years, translation of monetary assets and liabilities has been done using the CBN rate.

During the year, the Central Bank of Nigeria issued a directive stating that importation of some specified items shall be funded from the interbank foreign exchange market only. Consequently, the group had various rates available to it at which to translate year end monetary balances as follows:

- The CBN rate;
- The GSK group rate; and
- The interbank rate

In translating year end monetary assets and liabilities, the GSK Group rates have been utilised. This has been compared with the interbank rate at the same date and the difference is not considered to have a material impact on these financial statements.

Royalty

Accruals are made in these financial statements based on management's best estimate of the amounts it would require to settle the underlying obligations. The Group has accrued for royalty payable to a related party on the basis of 1% of revenue. Prior approval obtained from the National Office for Technology Acquisition and Promotion (NOTAP) was 0.75% of revenue. Management considers it to be appropriate to accrue based on 1% of revenue as this is the amount agreed with the related party. The eventual amount approved by NOTAP may differ from what has been provided and where this happens, the difference will be credited to the income statement in the period in which it is determined.

5 The following represents the Group's revenue for the year from continuing operations excluding investment income

	GROUP & COMPANY	
	2015 N'000	2014 N'000
Revenue from the sale of goods	30,634,708	30,521,127
Revenue from rendering service	–	–
	30,634,708	30,521,127

5.1 Segment information

Product and services from which reportable segments derive their revenues

The Chief Operating decision maker has been identified as the Management Team. For management purposes, the Group is organised into business units based on their products and has two reportable segments as follows:

Consumer Healthcare segment consisting of oral care, over-the-counter (OTC) medicines and nutritional healthcare; and Pharmaceuticals segment consisting of antibacteria, vaccines and prescription drugs.

Management team monitors the operating results of its operating units separately for the purpose of making decisions about resource allocation and performance assessment. The Agbara global manufacturing site produces goods for the consumer healthcare segment while pharmaceuticals are produced or imported. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated and separate financial statements.

There are no sales between business segments.

The Group's reportable segments under IFRS 8 are as follows :

Consumer Healthcare	- Oral care	Pharmaceuticals	- Antibacterial
	- Over-the-Counter (OTC) Medicine		- Vaccines
	- Nutritional healthcare		- Prescription drugs

5.2 Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment

Notes to the Financial Statements Cont'd

	SEGMENT REVENUE 2015 N'000	SEGMENT REVENUE 2014 N'000	SEGMENT RESULT 2015 N'000	SEGMENT RESULT 2014 N'000
Consumer healthcare				
Oral care	1,908,532	1,572,995	116,623	182,245
Over-the-Counter (OTC) Medicine	3,821,111	4,009,336	233,493	464,515
Nutritional healthcare	15,462,412	15,825,805	944,846	1,833,553
Pharmaceuticals				
Antibacterial	8,850,464	8,534,045	409,160	988,740
Vaccines	75,024	89,106	4,584	10,324
Prescription drugs	517,164	489,840	31,602	56,752
	30,634,707	30,521,127	1,740,308	3,536,129
Other gains and losses			(612,994)	(838,285)
Investment income			33,903	59,487
Finance cost			(3,703)	(5,115)
Profit before tax			1,157,514	2,752,216

Profit before tax

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: nil)

The accounting policies of the reporting segments are the same as the Group's accounting policies described in note 3. The segment reporting represents profit before tax earned by each segment without allocation of central administration cost, investment income and finance cost.

5.3 Other segment information

	DEPRECIATION & AMORTISATION 2015 N'000	DEPRECIATION & AMORTISATION 2014 N'000
Consumer healthcare	1,441,133	1,144,230
Pharmaceuticals	–	–
	1,441,133	1,144,230

5.4 Geographical information

The Group generates 99.7% of its revenue from continuing operations in Nigeria.

5.5 Information about major customer

The Pharmaceuticals segment has a major customer with total sales of N9.28 billion (2014: N8.99 billion) contributing more than 10% of the Group's total revenue.

Notes to the Financial Statements Cont'd

6 The following represents the group and company's selling and administrative expenses.

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Payroll costs	1,974,878	1,779,906	1,974,878	1,779,906
Electricity, fuel & utility	52,175	54,723	52,175	54,672
Repairs and maintenance	28,441	30,377	28,441	30,377
Repairs and maintenance - vehicles	55,585	105,109	55,585	105,109
Repairs and maintenance -others	25,790	25,425	25,790	25,425
Insurance	43,304	46,135	43,304	46,135
Depreciation	269,087	257,078	269,087	257,078
Rent and rates	287,847	330,370	285,672	326,634
Security & facility expenses	85,339	70,013	85,339	70,013
Canteen expenses	1,215	2,923	1,215	2,923
Freight costs	965,971	954,917	965,971	954,917
Travel expenses	204,651	122,138	204,651	122,138
Telecom cost	161,723	99,067	161,723	99,067
Audit fees	24,000	27,721	24,000	27,721
Consultancy	159,416	226,027	159,416	224,970
Advertisement and promotions	2,260,368	2,569,629	2,260,368	2,569,629
Laboratory supplies	5,422	30,003	5,422	30,003
Bank charges	30,027	29,833	30,027	29,830
Conferences (general)	2,409	26,155	2,409	26,155
Postages	7,722	4,322	7,722	4,322
Other office supplies	11,563	11,615	11,563	11,615
Other business expenses	292,845	160,478	292,845	160,478
Other expenses	98,530	97,370	98,530	97,370
Inter-departmental allocation	1,026,577	623,536	1,026,577	623,536
Royalties	27,302	30,773	27,302	30,773
Impairment for doubtful trade receivables	352,091	102,608	352,091	102,608
Impairment of property, plant and equipment	131,657	_	131,657	_
	8,585,935	7,818,251	8,583,760	7,813,404

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
6a Expenses by nature have been disclosed in the statement of profit or loss and other comprehensive income as follows:				
Selling and distribution costs	5,699,512	5,638,691	5,699,514	5,638,687
Administrative expenses	2,886,423	2,179,560	2,884,246	2,174,717
	8,585,935	7,818,251	8,583,760	7,813,404

6b Cost of sales

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Cost of raw materials, consumables and goods purchased for resale	16,965,209	16,473,331	16,965,209	16,473,331
Depreciation	1,172,046	887,152	1,172,046	887,152
Overheads and other charges	2,171,210	2,359,172	2,171,210	2,359,172
	20,308,465	19,719,655	20,308,465	19,719,655

7 Investment income

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Interest income on short-term deposits	33,903	59,487	22,996	49,295
	33,903	59,487	22,996	49,295

8 Other gains and losses

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Loss/(profit) from sale of property, plant and equipment	1,789	(8,248)	1,789	(8,248)
Income from sale of obsolete items as scrap	(5,833)	(12,237)	(5,833)	(12,240)
Realised exchange foreign exchange (gains)/losses	602,014	(44,549)	602,014	(44,549)
Unrealised foreign exchange (gain)/losses	(20,645)	893,137	(20,645)	893,137
Other sundry income	(49,232)	(23,829)	(49,232)	(11,343)
Other sundry expenses	84,902	34,015	84,902	34,492
	612,994	838,285	612,994	851,249

9 Licence fee recovery

Excess accruals totaling N552.9m for licence fees payable to Glaxo Group Limited were reversed in 2014 year as they were no longer required, none in the current year

10 Finance costs

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Interest on bank loans and overdrafts	3,703	5,115	3,703	5,115

11 Depreciation and costs of inventories included in the income statement

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Included in cost of sales:				
Cost of raw materials, consumables and goods purchased for resale recognised as an expense	16,965,209	16,473,331	16,965,209	16,473,331
Depreciation	1,172,046	887,152	1,172,046	887,152

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
11 Depreciation and costs of inventories included in the income statement (Cont'd)				
Included in administrative expenses:				
Depreciation	269,087	257,078	269,087	257,078
12 Employee benefits expense				
Wages and salaries	2,935,476	2,748,611	2,935,476	2,748,611
Defined contribution	122,277	104,250	122,277	104,250
Defined benefit	23,197	28,125	23,197	28,125
	3,080,950	2,880,986	3,080,950	2,880,986
13 Taxes				
Income statement:				
Current income tax:				
Company income tax	–	1,059,902	–	1,059,902
Education tax	41,436	99,945	41,436	99,945
Deferred tax:				
Relating to origination and reversal of temporary differences	151,031	(256,473)	151,031	(256,473)
Income tax expense reported in the income statement	192,467	903,374	192,467	903,374
Statement of other comprehensive income:				
Deferred tax related to items charged or credited directly to equity during the year:				
Deferred tax charge on remeasurement	(4,522)	(1,115)	(4,522)	(1,115)
Income tax charged directly to other comprehensive income	(4,522)	(1,115)	(4,522)	(1,115)

13 Taxes (cont'd)

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2015 and 2014 is as follows:

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Accounting profit before income tax	1,157,514	2,752,216	1,148,782	2,733,907
At Nigeria's statutory income tax rate of 30% (2014: 30%)	347,254	825,665	344,634	820,172
Tax impact of:				
Profit on export sales	(13,891)	(4,533)	(13,891)	(4,533)
Education tax	41,436	99,945	41,436	99,945
Effect of other permanent differences	(182,332)	(17,703)	(179,712)	(12,210)
	192,467	903,374	192,467	903,374
Deferred tax				
Deferred tax relates to the following:				
Income statement				
Accelerated depreciation for tax purpose	(278,781)	42,707	(278,781)	42,707
Impairment loss on trade receivables	(41,914)	(72,295)	(41,914)	(72,295)
Provision for increase in stock write off	(62,209)	(48,179)	(62,209)	(48,179)
Post-employment benefit	(6,840)	77,086	(6,840)	77,086
Unrealised exchange difference	540,775	(255,792)	540,775	(255,792)
Deferred tax	151,031	(256,473)	151,031	(256,473)
Statement of financial position				
Accelerated depreciation for tax purpose	1,841,880	2,120,661	1,841,880	2,120,661
Impairment loss on trade receivables	(114,209)	(72,295)	(114,209)	(72,295)
Provision for increase in stock write off	(110,388)	(48,179)	(110,388)	(48,179)
Post-employment benefit	(46,252)	(39,412)	(46,252)	(39,412)
Unrealised exchange difference	272,834	(267,941)	272,834	(267,941)
Net deferred tax liabilities	1,843,865	1,692,834	1,843,865	1,692,834
Reflected in the statement of financial position as follows:	N'000	N'000	N'000	N'000
		–		–
Deferred tax liabilities	1,843,865	1,692,834	1,843,865	1,950,422
Deferred tax liabilities	1,843,865	1,692,834	1,843,865	1,950,422
Reconciliation of deferred tax liabilities net				
At 1 January	1,692,834	1,950,422	1,692,834	1,950,422
Tax (income) / expense during the year recognised in profit or loss	155,553	(256,473)	155,553	(256,473)
Tax (income) / expense during the year recognised in other comprehensive income	(4,522)	(1,115)	(4,522)	(1,115)
At 31 December	1,843,865	1,692,834	1,843,865	1,692,834

Notes to the Financial Statements Cont'd

13 Taxes (cont'd)

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

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Reconciliation of income tax liabilities				
At 1 January	1,328,896	991,967	1,309,886	972,957
Prior year over provision	(1)	(679)	(1)	(679)
Tax on remeasurement of post-employment benefit	(4,522)	–	(4,522)	–
Deferred tax liability	(151,031)	–	(151,031)	–
Tax charge in income statement	192,467	1,159,847	192,467	1,159,847
	1,365,809	2,151,135	1,346,799	2,132,125
Company income tax paid	(835,939)	(770,849)	(831,528)	(770,849)
Education tax paid	(124,251)	(51,390)	(123,956)	(51,390)
At 31 December	405,619	1,328,896	391,315	1,309,886

14 Earnings per share

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Net profit attributable to ordinary equity holders of the parent	965,047	1,848,842	956,315	1,830,533
Weighted average number of ordinary shares for basic earnings per share	1,016,495	956,701	1,016,495	956,701
Basic and diluted earnings per share (kobo)	96	193	96	191

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated and separate financial statements. There are no potentially dilutive shares at the reporting date thus the Group's diluted earnings per share and the basic earnings per share both have the same value.

15 Property, plant and equipment Group and Company

	Leasehold land N'000	Buildings N'000	Plant and machinery N'000	Construction in progress N'000	Furniture, fittings and equipment N'000	Motor vehicles N'000	Total N'000
Cost							
At 1 January 2014	633,591	1,457,580	9,570,981	2,983,189	955,977	659,819	16,261,137
Additions	–	–	90,105	1,960,102	294,595	132,332	2,477,134
Capitalisation of construction in progress	–	40,851	284,867	(392,182)	37,770	28,694	–
Disposals	–	–	(11,966)	–	(49,533)	(104,501)	(166,000)
At 31 December 2013	633,591	1,498,431	9,933,987	4,551,109	1,238,809	716,344	18,572,271
Additions	–	913	56,983	1,396,805	231,070	235,915	1,921,686
Capitalisation of construction in progress	–	988,959	2,315,757	(3,337,557)	32,841	–	–

15 Property, plant and equipment (cont'd)

Impairment	–	–	(192,829)	–	–	–	(192,829)
Disposals	–	–	–	–	(9,800)	(130,081)	(139,881)
At 31 December 2015	633,591	2,488,303	12,113,898	2,610,357	1,492,920	822,178	20,161,247
Depreciation							
At 1 January 2014	97,309	168,583	3,038,687	–	470,375	364,326	4,139,280
Charge for the year	10,714	35,733	835,821	–	123,953	138,009	1,144,230
Disposals	–	–	(8,451)	–	(40,559)	(81,623)	(130,633)
At 31 December 2014	108,023	204,316	3,866,057	–	553,769	420,712	5,152,877
Charge for the year	10,714	54,932	1,102,531	–	119,244	153,712	1,441,133
Impairment	–	–	(61,172)	–	–	–	(61,172)
Disposals	–	–	–	–	(8,842)	(114,091)	(122,933)
At 31 December 2015	118,737	259,248	4,907,416	–	664,171	460,333	6,409,905
Net book values:							
At 31 December 2015	514,854	2,229,055	7,206,482	2,610,357	828,749	361,845	13,751,342
At 31 December 2014	525,568	1,294,115	6,067,930	4,551,109	685,040	295,632	13,419,394

Included in furniture, fittings and equipment are Chillers given to partners with a net book value of N535 million (2014:N329 million)

15.1 Impairment losses recognised in the year

Impairment assessment was performed for property, plant and equipment during the year. Impairment recognized in 2015 is N131.7 million (2014: Nil).

15.2 Assets pledged as security

There was no asset pledged as security for a loan during the year.

15.3 Capital commitments

Capital commitments in respect of property, plant and equipment amounted to N1.4 billion (2014: N1.2 billion).

16 Investment in subsidiary

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Investment in subsidiary	–	–	160	160

This represents investment in Winster Pharmaceuticals Limited, a wholly owned subsidiary company, which is measured at cost. Winster has no turnover for the current year following the sale of its only product to a third party in 2012. The results of the Company have been consolidated in these financial statements.

17 Inventories

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Raw materials and consumables	2,116,696	2,464,705	2,116,696	2,464,705
Work in progress	18,595	11,256	18,595	11,256
Finished goods	4,799,383	4,642,752	4,799,383	4,642,752
Engineering spares	468,956	457,017	468,956	457,017
Oil and Lubricant	14,608	13,820	14,608	13,820
Total inventories at the lower of cost and net realisable value	7,418,238	7,589,550	7,418,238	7,589,550

The cost of inventories recognised as an expense and included in cost of sales amounted to N17.0 million(2014: 16.5 million) The amount of inventories written off and included in cost of sales was N465 million (2014: N161 million).

18 Trade and other receivables

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Trade receivables (Note 18.1)	5,112,898	4,287,736	5,112,898	4,287,736
Receivables from related parties (Note 27)	166,487	104,094	166,487	104,094
Employee loans and advances	344,951	276,515	344,951	276,515
Advances to suppliers	16,473	41,273	16,473	41,273
Other receivables	595,456	267,624	595,456	267,624
	6,236,265	4,977,242	6,236,265	4,977,242

Terms and conditions relating to related party receivables are disclosed in Note 27

18.1

	GROUP & COMPANY	
	2015 N'000	2014 N'000
Trade receivables	5,493,595	4,528,719
Impairment loss	(380,697)	(240,983)
	5,112,898	4,287,736

Trade receivables are non-interest bearing and are generally on 60 day terms. The customers are wholesalers and are based within Nigeria. The Group has recognised impairment loss on debts of 100% against all receivables over 180 days because historical experience has been that receivables that are past due beyond 180 days are likely to be unrecoverable. Allowances for doubtful debts are recognised against trade receivables between 60 days and 180 days based on estimated irrecoverable amounts determined by applying a percentage in line with the Company's policy.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired:	GROUP & COMPANY	
	2015 N'000	2014 N'000
61-90 days	1,058,520	838,974
Average days	61	51
Movement in the allowance for doubtful debts		
Balance at beginning of the year	240,983	138,375
Additional provision	259,028	130,667
Recoveries	(23,108)	(28,059)
Write offs	(96,206)	_
Balance at the end of the year	380,697	240,983
Age of impaired trade receivables		
91-180 days	123,904	134,386
>180	256,793	106,597

Notes to the Financial Statements Cont'd

With the exception of trade receivables stated above, all other receivables are neither past due nor impaired and the Company does not have a policy of requesting for collateral on these receivables.

The fair values of trade and other receivables are the same as their carrying amounts.

19 Other assets

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Prepaid rent	179,288	198,387	179,288	196,205
Prepaid insurance	49,931	75,780	49,931	75,780
Other prepayments	56,326	36,003	56,326	36,003
	285,545	310,170	285,545	307,988
Current	162,645	246,904	162,645	244,722
Non Current	122,900	63,266	122,900	63,266
	285,545	310,170	285,545	307,988

20 Cash and cash equivalents

For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents include cash and bank balances, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year as shown in the consolidated and separate statement of cash flows can be reconciled to related items in the consolidated and separate statements of financial position as follows:

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Cash at bank and on hand	3,638,323	1,494,773	3,430,314	1,494,704
Short term deposits	–	201,739	–	–
Cash and bank balances	3,638,323	1,696,512	3,430,314	1,494,704
Bank overdrafts	–	–	–	–
Total cash and cash equivalents	3,638,323	1,696,512	3,430,314	1,494,704

Short term deposits are with commercial banks and have a tenure of between 30 to 90 days. All bank balances are neither past due nor impaired.

20.1 Non Cash transactions

The Company did not engage in any non-cash transaction during the year. (2014: Nil)

21 Issued capital and share premium

	GROUP		GROUP & COMPANY	
Authorised shares	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Ordinary shares of 50k each	1,500,000	960,000	1,500,000	960,000
	N'000	N'000	N'000	N'000
Ordinary shares of 50k each	750,000	480,000	750,000	480,000
Ordinary shares issued and fully paid	Thousands	Thousands	Thousands	Thousands
Ordinary shares of 50k each	1,195,876	956,701	1,195,876	956,701
	N'000	N'000	N'000	N'000
Ordinary shares of 50k each	597,939	478,351	597,939	478,351
	N'000	N'000	N'000	N'000
Share premium	51,395	51,395	51,395	51,395

	Number of shares Thousands	Share capital N'000
21.1 Ordinary shares issued and fully paid		
Balance at 1 January 2015	956,701	478,351
Bonus issue	239,175	119,588
Balance at 1 January 2015	1,195,876	597,939

22 Analysis of shareholding and bonus issue

The issued and fully paid-up share capital of the company is N478, 350,595 divided into 956,701,190 ordinary shares of 50k each. A total of 512,635,649 shares equivalent to 53.6 per cent are held by Nigerian shareholders, while 444,065,541 shares equivalent to 46.4 per cent are held by GlaxoSmithKline plc UK through its wholly owned subsidiaries, Setfirst Limited and SmithKline Beecham Limited as at 31 December 2015.

The Share capital of the Company was increased from N480 million to N750 million by the creation of 540 million new ordinary shares of 50 kobo each to bring the total number of shares to 1.5 billion ordinary shares of 50 kobo each.

At the 44th Annual General Meeting on the 11th June 2015, the shareholders approved the capitalization of N119.5 million from the general reserves account for the purposes of payment of 239 million new shares of 50kobo each to members on the basis of 1 new share for every existing 4 shares. Pursuant to this resolution, the Company is awaiting regulatory approval to allot 239,175,298 bonus shares to members in line with the resolution.

23 Pioneer incentive tax relief

The Company embarked on an expansionary journey to create consumer reach through innovation in its existing product portfolio dating back to 2012. The aim was to improve brands market share, profitability and create value for the stakeholders. The innovation brands were meant to create alternative choices within the consumer segments as well as meeting the purchasing power of the different segments by positioning products at the magic price points to drive consistent market reach.

The Company invested in new technology to support the initiative applied for Pioneer Incentive tax relief for which it obtained approval of the Federal Ministry of industry, Trade & Investment (Industrial Inspectorate Department) via its letter dated 27th May 2015 for a production date certification dated 1st January 2013. The Company prepared Special Purpose Financial Statements for the years ended 31st December 2013 and 2014 to ascertain its pioneer net earnings for the years under review and the results are set out below:

Year	Pioneer-profit
	₦ m
2014	516
2013	873
Total	1,389

The Pioneer earning ascertained for the year ended 31st December 2015 represents N244m and this forms an integral part of the tax computation for the period under review. Total pioneer earnings for the three years period stands at N1,633m.

24 Dividends paid and proposed

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Dividends on ordinary shares declared and paid during the year				
Final dividend for 2014: N0.75 per share (2013: N1.30 per share)	717,526	1,243,712	717,526	1,243,712
Dividends on ordinary shares proposed for approval at the Annual General Meeting (not recognised as a liability as at 31 December)				
Final dividend for 2015: N0.30 per share (2014: N0.75 per share)	358,761	717,526	358,761	717,526

The proposed dividends for 2015 are to be paid out of the retained pioneer earnings for 2013 and 2014

25 Retirement benefit obligations

The Group operates a defined benefit gratuity plan covering substantially all of its employees. The plan was discontinued in 2010 for management and senior staff leaving only the junior staff. No contribution is made to separately administered funds.
The defined benefit plans are designed to provide income to individuals during their retirement years. This is accomplished by setting aside a provision during an employee's working years so that at retirement, funds matching the accumulated provisions are made available to eligible staff. The scheme is not funded, hence future payments will be funded through cash flows from operations.

The following tables summarise the components of net benefit expense recognised in the profit or loss and amounts recognised in the statement of financial position for the plan.

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Net benefit expense (recognised in administrative expenses)				
Current service cost	13,098	9,900	13,098	9,900
Plan Amendment	(8,692)	–	(8,692)	–
Interest cost on benefit obligation	18,791	18,225	18,791	18,225
Net benefit expenses	23,197	28,125	23,197	28,125
Changes in the present value of the defined benefit obligation Benefit liability				
Defined benefit obligation as at 1 January	130,975	136,109	130,975	136,109
Current service cost	13,098	9,900	13,098	9,900
Interest cost	18,791	18,225	18,791	18,225
Benefits paid	–	(36,974)	–	(36,974)
Plan amendment	(8,692)	–	(8,692)	–
	154,172	127,260	154,172	127,260
Remeasurement loss :				
-arising from changes in assumption	26,167	(11,913)	26,167	(11,913)
-arising from experience	(11,094)	15,628	(11,094)	15,628
	15,073	3,715	15,073	3,715
Defined benefit obligation at 31 December	169,245	130,975	169,245	130,975

Notes to the Financial Statements Cont'd

The principal assumptions used in determining gratuity plan benefit obligations for the Group's plan are shown below:

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
	%	%	%	%
Average long term discount rate (p.a)	15.00	14.00	15.00	14.00
Average long term pay increase (p.a)	12.00	12.00	12.00	12.00
Average long term rate of inflation (p.a)	9.00	9.00	9.00	9.00
Withdrawal from service (Age Band):				
Less than or equal to 30	3.00	3.00	3.00	3.00
31-39	2.00	2.00	2.00	2.00
40-49	2.00	2.00	2.00	2.00
50-60	0.00	0.00	0.00	0.00

Mortality rate in service	Number of deaths in year of age out of 10,000 lives			
Sample age				
25	7	7	7	7
30	7	7	7	7
35	9	9	9	9
40	14	14	14	14
45	26	26	26	26

25 Retirement benefit obligations (cont'd)

The scheme is exposed to risk of changes in discount rate, salary increase and mortality experience. A sensitivity analysis of the changes in presented below:

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Base figure	169,245	130,975	169,245	130,975
Discount rate (+1%)	154,800	126,494	154,800	126,494
Discount rate (-1%)	185,746	147,328	185,746	147,328
Salary increase (+1%)	186,581	148,051	186,581	148,051
Salary increase (-1%)	153,857	125,778	153,857	125,778
Mortality experience (worsen by 1 year)	169,292	135,845	169,292	135,845
Mortality experience (improved by 1 year)	169,191	137,128	169,191	137,128

The following payments are expected contributions to the defined benefit plan in future years:

	GROUP & COMPANY	
	2015 N'000	2014 N'000
Within the next 12 months (next annual reporting period)	12,422	11,404
Between 2 and 5 years	79,501	74,426
Between 5 and 10 years	100,195	104,868
	192,118	190,698

Notes to the Financial Statements Cont'd

26 Trade and other payables

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Trade payables	3,522,462	317,532	3,522,364	317,433
Amounts due to related parties (Note 27)	10,761,570	9,823,681	10,761,570	9,823,681
Unclaimed dividend	522,420	221,517	522,420	221,517
Other payables	816,456	533,931	816,456	533,932
Accruals	102,862	995,258	100,163	992,552
	15,725,770	11,891,919	15,722,973	11,889,115

Terms and conditions of the above financial and non-financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables and accruals are non-interest bearing and have an average term of six months.
- Terms and conditions relating to related party receivables are disclosed in Note 27.

The fair values of trade and other payables are equal to their carrying amounts as the impact of discounting is not considered to be significant.

26.1 Pension contribution (included in other payables)

	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
Balance at the beginning of the year	42,042	25,853	42,042	25,853
Addition during the year	122,277	104,250	122,277	104,250
Remittance to administrator	(141,275)	(88,079)	(141,275)	(88,079)
	23,026	42,024	23,026	42,024

27 Related party disclosures

The financial statements include the financial statements of the Company and those of Winster Pharmaceutical Limited, a wholly owned subsidiary which was incorporated in Nigeria. The Group share of the equity of Winster Pharmaceutical Limited remains at 100% throughout all reporting periods shown. There are no restrictions on the ability of the subsidiary to use assets of the Group, or settle its obligations.

The following table provides the total amount of transactions that have been entered into with related parties; as well as the outstanding balances for the transactions as at 31 December 2015 and 31 December 2014.

	GROUP & COMPANY		GROUP	COMPANY	
Subsidiary:	Purchases from related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
Winster Pharmaceuticals Limited:					
31 December 2015	–	–	–	–	–
31 December 2014	–	–	–	–	–
Other sister companies:					
GSK Pharmaceutical Nigeria Limited					
31 December 2015	–	–	596,671	–	596,671
31 December 2014	–	–	196,244	–	196,244

Notes to the Financial Statements Cont'd

27 Related party disclosures cont'd

	GROUP & COMPANY		GROUP	COMPANY	
	Purchases from related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
GSK Biological Manufacturing Limited					
31 December 2015	–	–	91,999	–	91,999
31 December 2014	99,177	–	133,300	–	133,300
GSK Consumer Trading Services Cerp					
31 December 2015	472,151	–	67,145	–	67,145
31 December 2014	56,719	–	123,233	–	123,233
GlaxoSmithkline Dungravan					
31 December 2015	–	–	615,655	–	615,655
31 December 2014	107,902	–	687,443	–	687,443
GlaxoSmithkline Export Limited UK					
31 December 2015	5,129,650	–	8,525,081	–	8,525,081
31 December 2014	8,717,098	–	8,112,332	–	8,112,332
GlaxoSmithKline Consumer Trading Services (JDE)					
31 December 2015	510,097	–	593,013	–	593,013
31 December 2014	543,589	–	349,551	–	349,551
GlaxoSmithkline Pakistan Limited					
31 December 2015	–	–	–	–	–
31 December 2014	–	–	24,918	–	24,918
GlaxoSmithkline Limited, Kenya					
31 December 2015	–	13,744	–	13,744	–
31 December 2014	–	16,967	–	16,967	–
GlaxoSmithKline Inc.(Canada PH)					
31 December 2015	–	–	–	–	–
31 December 2014	–	–	8,188	–	8,188
GlaxoSmithkline Corp C.B. Usa					
31 December 2015	–	–	–	–	–
31 December 2014	–	–	3,284	–	3,284
GSK OPS UK Area					
31 December 2015	–	1,875	–	1,875	–
31 December 2014	–	855	–	855	–
Inter Com - GlaxoSmithkline South Africa					
31 December 2015	–	90,536	–	90,536	–
31 December 2014	2,090	7,313	–	7,313	–
GlaxoSmithKline Consumer Healthcate Pte. Ltd					
31 December 2015	–	–	6,873	–	6,873
31 December 2014	–	73,427	–	73,427	–
Glaxo Group Limited - Corporate					
31 December 2015	–	5,532	–	5,532	–
31 December 2014	–	5,532	–	5,532	–

27 Related party disclosures cont'd

	GROUP & COMPANY		GROUP	COMPANY	
	Purchases from related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
SB CORP - GlaxoSmithkline Clifton					
31 December 2015	–	–	3,582	–	3,582
31 December 2014	–	–	–	–	–
SB CORP					
31 December 2015	–	–	910	–	910
31 December 2014	–	–	–	–	–
Gsk Healthcare Singapore					
31 December 2015	–	48,508	–	48,508	–
31 December 2014	–	–	–	–	–
Gsk Pet Ltd Singapore					
31 December 2015	–	6,292	–	6,292	–
31 December 2014	–	–	–	–	–
GlaxoSmithKline Services Unlimited					
31 December 2015	–	–	260,641	–	260,641
31 December 2014	–	–	185,188	–	185,188
Total					
31 December 2015	6,111,898	166,487	10,761,570	166,487	10,761,570
31 December 2014	9,526,575	104,094	9,823,681	104,094	9,823,681

Transactions and balances receivable and payable at the year are further analysed as follows:

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Receivable from related parties:				
Local	–	–	–	-
Foreign	166,487	104,094	166,487	104,094
	166,487	104,094	166,487	104,094
Payable to related parties:				
Local	596,671	196,244	596,671	196,244
Foreign	10,164,899	9,627,437	10,164,899	9,627,437
	10,761,570	9,823,681	10,761,570	9,823,681

There were no sales to related parties for the year ended 31 December 2015 (2014:Nil).

The ultimate parent company

The ultimate parent company of the Group is GlaxoSmithKline Plc, United Kingdom.

Licence fee

The Company has a licence agreement with Glaxo Group Limited and Smithkline Beecham Limited. The agreement covers the products of the overseas companies produced and marketed by GlaxoSmithKline Consumer Nigeria Plc, and other supports enjoyed by GSK Consumer Nigeria Plc under the agreement. The fees payable under the agreement are computed at 1% of revenue of the category products for the licence agreement. The amounts charged during the year ended 31 December 2015

27 Related party disclosures cont'd

amounted to N27 million (December 2014: N31 million). The decline is accounted for by the sale of the Lucozade and Ribena brands to Suntory Group under which these categories of products no longer form part of the licence agreement.

Terms and conditions of transactions with related parties

Purchases from related parties are for inventory items as well as IT support services provided.

Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

As stated in Note 27 above, under the licencing and trademark agreement between the Company and its parent, the Company will be indemnified by its parent entity for any claims arising from the use of the Panadol trademark.

	GROUP		COMPANY	
Compensation of key management personnel of the Group	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Short-term employee benefits	226,532	219,702	226,532	219,702
Defined contribution	22,019	19,307	22,019	19,307
Total compensation paid to key management personnel	248,551	239,009	248,551	239,009

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management includes directors and members of senior management.

Other than the disclosures already shown above, there were no other transactions with key management personnel in the year (2014: Nil)

28 Directors and employees information

Employees

The number of full-time persons employed was as follows:

	GROUP & COMPANY	
	2015 N'000	2014 N'000
Administration	79	62
Sales and distribution	69	97
Marketing	11	17
Production	260	236
	419	412

Winster Pharmaceuticals Limited does not have employees.

The number of employees of the Company, other than directors, who earned more than N700,000 in the year were as follows:

28 Directors and employees information cont'd

N	N	GROUP & COMPANY 2015 Number	GROUP & COMPANY 2014 Number
700,001	800,000	–	1
800,001	900,000	–	–
900,001	1,000,000	1	2
1,000,001	1,500,000	17	31
1,500,001	2,000,000	41	49
2,000,001	2,500,000	40	53
2,500,001	3,000,000	59	55
3,000,001	3,500,000	56	37
3,500,001	4,000,000	29	35
4,000,001	4,500,000	23	22
4,500,001	5,000,000	17	10
5,000,001	5,500,000	10	10
5,500,001	6,000,000	8	8
6,000,001		118	99
		419	412

	2015	2014
The remuneration paid to directors of the Company was:	50,114	50,845
Fees and other emoluments disclosed above (including pension contribution) includes amounts paid to:		
The Chairman	6,681	3,104
The highest paid director	29,175	20,046

The number of directors including chairman and the highest paid director who received fees and other emoluments including pension contributions is as follows:

N	N	GROUP & COMPANY 2015 Number	GROUP & COMPANY 2014 Number
-	1,000,000	4	9
1,000,001	2,000,000	–	1
2,000,001	3,000,000	1	1
3,000,001	8,000,000	4	1
8,000,001	9,000,000	1	–
9,000,001	30,000,000	–	3
		10	15

29 Contingent liabilities

Legal claim contingency

In June 2011, damages amounting to N1.2 billion were awarded against the company and its parent with respect to trademark and copyright infringements of the Panadol label; at the Federal High Court. The Company filed for a stay of execution and also appealed the judgment.

The Court granted stay of execution on the condition that the judgment sum be deposited into an interest yielding account, pending determination of the appeal at the Court of Appeal. GSK has filed another application at the Court of Appeal for a variation of the order to the acceptance of a bank guarantee instead of lodging the amount in court.

Various applications were filed by the parties at the Court of Appeal. The Appellants, GSK and its parent company have filed the brief of argument dated January 8, 2016 and have applied to the court for a date for the definite hearing of the Appeal.

The following should be noted:

- Under the licensing and trademark agreements between the Company and its parent, the Company will be indemnified by its parent entity for any claims arising from the use of the Panadol trademark.

- The Panadol brand has moved from the eclipse device (the subject of the litigation) to the Beacon livery as part of a global brand strategy.

The Group is currently involved in a number of other civil actions in court either as defendant, co-defendant or as plaintiff. The cases are at various stages of adjudication and our solicitors are adequately protecting and promoting our interest. Based on the facts, it is the opinion of the directors that the effect of the current actions will not be material.

30 Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Finance Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Finance committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk. Financial instruments affected by market risk are mainly the Group's loans and receivables and short-term deposits.

(i) Interest rate risk

The Group places surplus funds with its Group Corporate bankers on short term basis. The transaction is strictly between the bank and the Group at a fixed interest rate paid upfront and not affected by fluctuations in rates during the tenor. Each fixed deposit is covered by a certificate of deposit issued by the bank.

(ii) Foreign currency risk

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 relates primarily to the Group's operating activities (i.e.when revenue/expense and asset/liabilities are denominated in a different currency from the Group's functional currency), the Group's exposure for the reporting periods shown is mainly due to related party receivables and payables denominated in foreign currencies.

The Group manages its foreign currency risk by converting its transactions denominated in foreign currency to its functional currency on the date of receipt of invoice and records any exchange gain or loss on settlement of the invoice as they arise, without hedging. The Group invoices goods to its foreign third party in the functional currency - the Nigerian Naira (NGN). The Group's foreign currency risk is mainly as a result of exposure to the GBP and USD and arises predominantly as a result of amounts receivable and payable to related parties.

	LIABILITIES		ASSETS	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
USD	8,831,276	8,238,433	–	–
GBP	–	–	341,333	174,607
OTHERS	26,951	19,128	–	–

The following table details the Groups's sensitivity to a 10% increase/decrease in Naira against relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. The sensitivity analysis includes loans to foreign related parties within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower.

	USD IMPACT		GBP IMPACT	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Profit or loss	883,128	823,843	34,133	17,461

The only subsidiary (Winster Pharmaceuticals) does not have any balances denominated in foreign currencies.

Credit risk

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 cash and short term deposit, including deposits with banks, amount due from related parties and staff loans.

The Group manages employee loans by ensuring that each employee does not exceed a loan greater than one-third of his or her net pay, and only employees who meet this requirement receives a loan facility from the Company. Additionally, any employee granted a loan in excess of the above limit must have a staff benefit (defined benefit) as collateral.

In respect of bank balances, the Group maintains balances in Agusto & Co rated banks.

Group	Credit Rating by Counter Party							
	Unrated N'000	Aa+ N'000	A N'000	BB- N'000	AA- N'000	Aa1 N'000	A+ N'000	Total N'000
Cash in bank and short term deposits (2015)	-	-	747,253	-	1,352,235	-	1,538,835	3,638,323
Cash in bank and short term deposits (2014)	-	-	-	193,487	314,566	792,537	395,922	1,696,512

Company								
	Unrated N'000	Aa+ N'000	A N'000	BB- N'000	AA- N'000	Aa1 N'000	A+ N'000	Total N'000
Cash in bank and short term deposits (2015)	-	-	539,292	-	1,352,186	-	1,538,836	3,430,314
Cash in bank and short term deposits (2014)	-	-	-	193,487	314,557	590,787	395,873	1,494,704

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls 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, the Group uses a single credit rating for all its customers. Outstanding customer receivables are regularly monitored by the credit control unit and management conducts frequent reviews. Any shipments to major customers are generally within the credit limits approved by management based on the independent risk assessment of each customer. The credit terms to customers is short to ensure adequate monitoring and early detection of delinquency. At 31 December 2015, the Group had 150 customers. One customer owed the Group N1,853m which represents 34% of the Group's total trade receivables. The customer's debt is covered by a bank guarantee from a reputable bank. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers operate in largely independent industries and are located in different jurisdictions.

77% of the Group's exposure on related party receivables is to the parent and its wholly-owned subsidiary. The directors are of the opinion that there is no credit risk in relation to related party receivables. The Company is in total control of all decisions made by the subsidiary. Historically the parent company has not defaulted in fulfilling its obligations to the group. Monthly reconciliation and confirmation of balances are carried out. With all related parties.

Notes to the Financial Statements Cont'd

Credit quality policies and procedures as well as management's assessment of the quality of financial assets is the same for all periods presented, except where shown otherwise.

Liquidity risk

The Group monitors its risk to shortage of funds using a recurring liquidity planning tool. The objective is to maintain a balance between working capital and medium term business expansion funding requirements. Access to sources of short and medium term funding is sufficiently available and the Group has secured adequate overdraft facilities with its bankers which have rarely been utilised.

GROUP

As at 31 December 2015	On demand N'000	3 to 12 months N'000	Total N'000
Other current financial liabilities	-	-	-
Trade and other payables	3,512,895	12,212,875	15,725,770
	3,512,895	12,212,875	15,725,770

As at 31 December 2014	On demand N'000	3 to 12 months N'000	Total N'000
Other current financial liabilities	-	-	-
Trade and other payables	2,656,472	9,235,447	11,891,919
	2,656,472	9,235,447	11,891,919

COMPANY

As at 31 December 2015	On demand N'000	3 to 12 months N'000	Total N'000
Other current financial liabilities	-	-	-
Trade and other payables	3,512,269	12,210,704	15,722,973
	3,512,269	12,210,704	15,722,973

As at 31 December 2014	On demand N'000	3 to 12 months N'000	Total N'000
Other current financial liabilities	-	-	-
Trade and other payables	2,655,844	9,233,270	11,889,114
	2,655,844	9,233,270	11,889,114

All financial assets (trade and other receivables, and cash and short term deposits) are classified as loans and receivables. All financial liabilities (trade and other payables) are classified as financial liabilities at amortised cost.

Financial instrument fair value estimation

(a) Financial instrument fair value estimation

The Group holds a number of financial instruments.

Fair values of financial assets and financial liabilities

Financial instruments utilised by the Group during the years ended 31 December 2015 and 31 December 2014, together with information regarding the methods and assumptions used to calculate fair values, can be summarised as follows:

Current assets and liabilities – Financial instruments included within current assets and liabilities (excluding cash) are generally short-term in nature and accordingly their fair values approximate to their book values.

Cash – The carrying value of cash approximates to its fair value because of its short-term nature.
In deriving the fair value, the financial instruments are classified as level 1, 2 or 3 depending on the valuation method applied in determining their fair value.

The different levels have been defined as follows:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

(b) Financial liabilities and assets

Set out below is a comparison by category of the carrying values and fair values of all the Group's financial assets and financial liabilities as at 31 December 2015 and 31 December 2014. None of the financial assets and liabilities has been reclassified during the year.

	2015 Carrying amount and fair value N'000	2014 Carrying amount and fair value N'000
Loans and receivables		
- Cash and bank balances	3,638,323	1,696,512
- Trade and other receivables (excluding non financial assets)	5,279,385	4,391,830
	8,917,708	6,088,342
Financial liabilities		
- Trade and other payables (except non financial liabilities)	14,283,934	10,141,114

Capital management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within a reasonable level. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	GROUP		GROUP & COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Trade and other payables (Note 26)	15,725,770	11,891,919	15,722,973	11,889,114
Less: cash and short-term deposits (Note 20)	3,638,323	1,696,512	3,430,314	1,494,704
	12,087,447	10,195,407	12,292,659	10,394,410
Equity	13,185,213	12,948,244	12,994,465	12,766,228
Capital and net debt	25,272,660	23,143,651	25,287,124	23,160,638
Gearing ratio	48%	44%	49%	45%

31 Fair Value of Financial Instrument

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

32 Even after the reporting date period

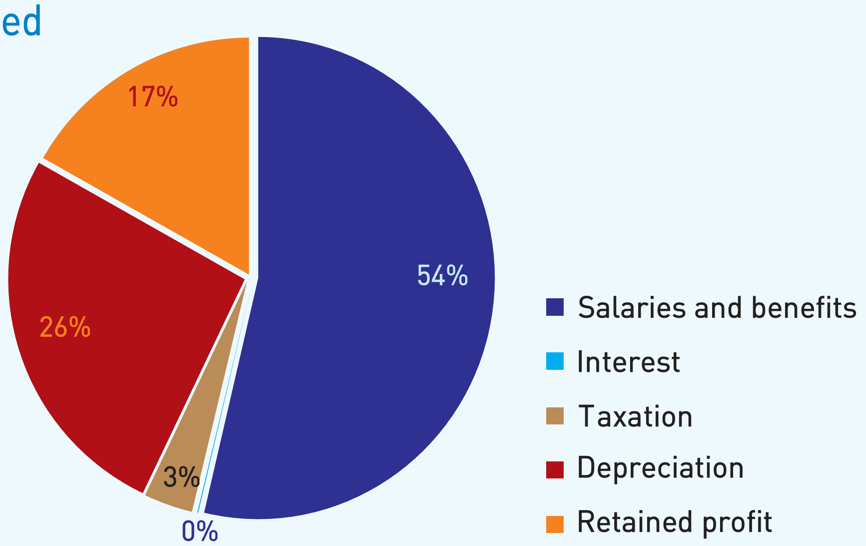
In January, 2016, the Company received a non-binding offer from Lucozade Ribena Suntory (LRS). LRS has requested to take full ownership of the drink business. There were no other event occurring after the reporting period that could have a material effect on the state of affairs of the Group as at 31 December 2015 which have not been adequately provided for or disclosed in these financial statements.

33 Guarantee

The Company does not have any guarantee as at the year ended 31 December, 2015.

Statement of Value Added

For the year ended 31 December 2015



Consolidated and separate statement of value added

(Non IFRS Statement)

	GROUP				COMPANY			
	2015 N'000	%	2014 N'000	%	2015 N'000	%	2014 N'000	%
Turnover	30,634,708		30,521,127		30,634,708		30,521,127	
Other income	(612,994)		(838,285)		(612,994)		(851,249)	
	30,021,714		29,682,842		30,021,714		29,669,878	
Bought-in-materials								
- Local	(11,377,177)		(10,764,362)		(11,386,240)		(10,627,331)	
- Imported	(12,961,237)		(12,135,933)		(12,960,906)		(11,981,406)	
	(24,338,414)		(22,900,295)		(24,347,146)		(22,608,737)	
Value added	5,683,300	100	6,782,547	100	5,674,568	100	7,061,141	100
Distribution								
Employees								
Salaries and benefits	3,080,950	54	2,880,986	43	3,080,950	54	2,880,986	41
Provider of funds								
Interest	3,703	-	5,115	-	3,703	-	5,115	-
Government								
Taxation	192,467	3	903,374	13	192,467	3	903,374	13
The Future								
Depreciation	1,441,133	26	1,144,230	17	1,441,133	26	1,441,133	20
Retained profit	965,047	17	1,848,842	27	956,315	17	1,830,533	26
	5,683,300	100	6,782,547	100	5,674,568	100	7,061,141	100

This statement represents the distribution of the wealth created through the use of the Group's assets through its own and employees' efforts.

Value added represents the additional wealth which the Group and Company have been able to create by its own and its subsidiary's effort. The Statement shows the allocation of that wealth to employees, government, providers of funds and that retained for future creation of more wealth.

Five Year Financial Summary (Non IFRS Statement)

For the year ended 31 December 2015

The Group

As at 31 December Assets employed	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Non-current assets	13,751,342	13,419,394	12,121,857	8,835,060	7,282,265
Current assets	17,578,371	14,573,474	14,091,806	12,957,661	10,657,891
	31,329,713	27,992,868	26,213,663	21,792,721	17,940,156
Financed by					
Creditors due within one year	16,131,389	13,220,815	11,781,418	9,510,572	7,571,039
Deferred taxation	1,843,865	1,692,834	1,950,422	1,490,927	1,275,624
Retirement benefits	169,245	130,975	136,109	128,162	111,065
Share capital	597,939	478,351	478,351	478,351	478,351
Share premium	51,395	51,395	51,395	51,395	51,395
Retained earnings	12,535,880	12,418,498	11,815,968	10,133,314	8,452,682
	31,329,713	27,992,868	26,213,663	21,792,721	17,940,156

For the year ended 31 December Profit and loss	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Turnover	30,634,708	30,521,127	29,183,675	25,308,159	21,525,803
Gross profit	10,326,243	10,801,472	11,602,050	10,227,698	8,987,868
Profit before interest charges and taxation	1,161,217	2,757,331	4,315,342	4,171,816	3,494,407
Interest charges	(3,703)	(5,115)	(513)	(151)	(1,787)
Profit before taxation	1,157,514	2,752,216	4,314,829	4,171,665	3,492,620
Taxation	(192,467)	(903,374)	(1,395,659)	(1,348,139)	(1,197,632)
Profit after taxation	965,047	1,848,842	2,919,170	2,823,526	2,294,988

	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Profit before taxation as a percentage of turnover	3.8%	9.0%	14.8%	16.5%	16.2%
Proposed dividend*** (N'000)	358,761	717,526	1,243,712	1,243,712	1,148,041
Dividend per share (kobo)	30	75	130	130	120
Earnings per share (kobo)	96	193	305	295	240

*** Proposed dividend represents dividend for the current year but declared and paid during the following year.

Five Year Financial Summary (Non IFRS Statement)

For the year ended 31 December 2015

The Company

Assets employed	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Non-current assets	13,751,502	13,419,554	12,122,017	8,835,220	7,262,398
Current assets	17,370,362	14,369,484	13,900,136	12,736,048	10,447,981
	31,121,864	27,789,038	26,022,153	21,571,268	17,710,379
Financed by					
Creditors due within one year	16,114,288	13,199,001	11,753,615	9,449,552	7,388,344
Deferred taxation	1,843,865	1,692,834	1,950,422	1,490,927	1,283,080
Retirement benefits	169,245	130,975	136,109	128,162	127,358
Share capital	597,939	478,351	478,351	478,351	478,351
Share premium	51,395	51,395	51,395	51,395	51,395
Revaluation reserve	-	-	-	-	24,720
Retained earnings	12,345,132	12,236,482	11,652,261	9,972,881	8,357,131
	31,121,864	27,789,038	26,022,153	21,571,268	17,710,379

Profit and loss	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Turnover	30,634,708	30,521,127	29,183,675	25,127,000	21,148,210
Gross profit	10,326,243	10,801,472	11,602,050	10,136,222	8,834,162
Profit before interest charges and taxation	1,152,485	2,739,022	4,312,070	4,070,838	3,810,123
Interest charges	(3,703)	(5,115)	(514)	(151)	(1,787)
Profit before taxation	1,148,782	2,733,907	4,311,556	4,070,687	3,808,336
Taxation	(192,467)	(903,374)	(1,395,659)	(1,315,825)	(1,136,892)
Profit after taxation	956,315	1,830,533	2,915,897	2,754,862	2,671,444

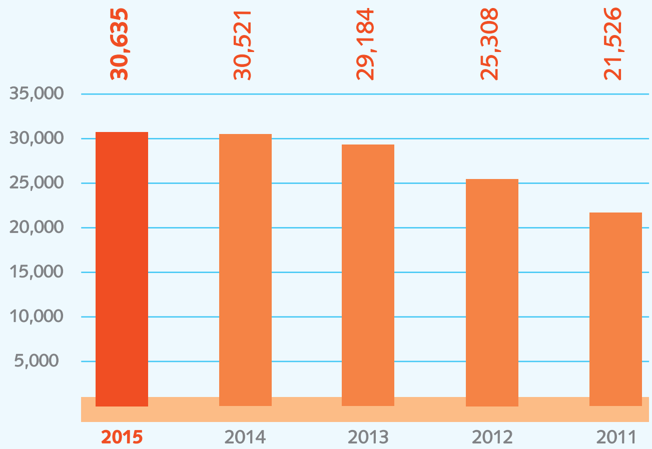
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Profit before taxation as a percentage of turnover	3.1%	6.0%	10.0%	11.0%	12.6%
Proposed dividend*** (N'000)	358,761	717,526	1,243,712	1,243,712	1,148,041
Dividend per share (kobo)	30	75	130	120	120
Earnings per share (kobo)	96	193	305	295	240

*** Proposed dividend represents dividend for the current year but declared and paid during the following year.

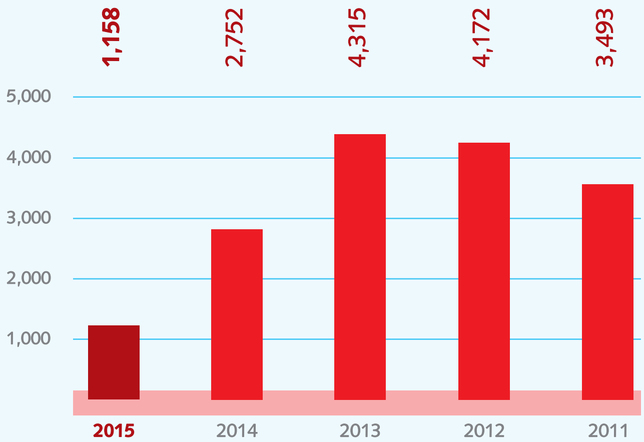
Five Year Financial Trend

For the year ended 31 December 2015

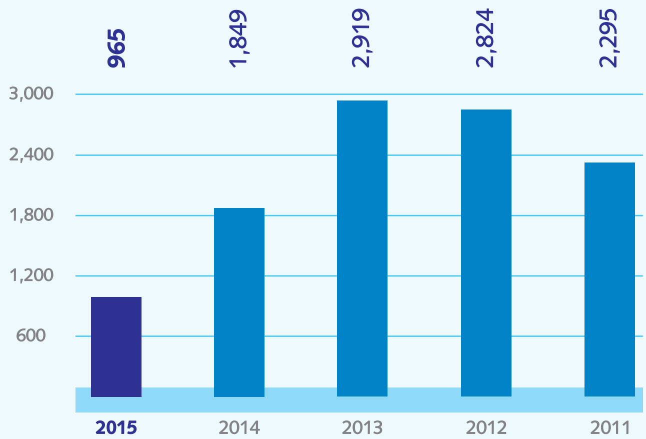
Turnover [N'million]



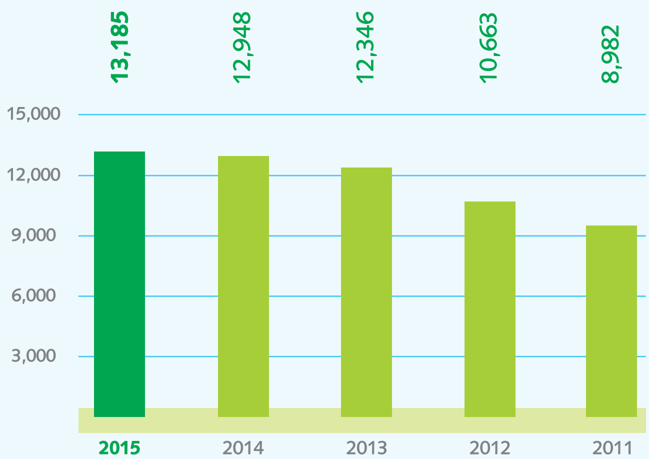
Profit Before Tax [N'million]



Profit After Tax [N'million]



Shareholders' Funds [N'million]



Shareholders' Information

YEAR	NUMBER OF SHARES	VALUE (NAIRA)	NUMBER OF SHARES	VALUE (NAIRA)	DESCRIPTION
1978	1,500,100	3,000,200	1,500,008	3,000,016	Cash; Bonus 1:3 one share of N2 sub divided into 4 shares of 50k each
1979	8,000,044	4,000,050	8,000,044	4,000,022	
1980	8,000,100	4,000,050	8,000,044	4,000,022	
1981	16,000,144	8,000,072	16,000,088	8,000,044	BONUS 1:1
1982	16,000,144	8,000,072	16,000,088	8,000,044	
1983	16,000,144	8,000,072	16,000,088	8,000,044	
1984	32,000,176	16,000,088	32,000,176	16,000,088	BONUS 1:1
1985	32,000,176	16,000,088	32,000,176	16,000,088	
1986	32,000,176	16,000,088	32,000,176	16,000,088	
1987	32,000,176	16,000,088	32,000,176	16,000,088	
1988	56,000,308	28,000,154	56,000,308	28,000,154	BONUS 3:4
1989	56,000,308	28,000,154	56,000,308	28,000,154	
1990	84,000,462	42,000,231	84,000,462	42,000,231	BONUS 1:2
1991	84,000,462	42,000,231	84,000,462	42,000,231	
1992	126,000,694	63,000,347	126,000,694	63,000,347	BONUS 1:2
1993	126,000,694	63,000,347	126,000,694	63,000,347	
1994	252,001,388	126,000,694	252,001,386	126,000,393	BONUS 1:1
1995	400,000,000	200,000,000	378,002,078	189,001,039	BONUS 1:2
1996	800,000,000	400,000,000	664,375,636	332,187,818	BONUS 1:5
1997	800,000,000	400,000,000	664,375,636	332,187,818	
1998	800,000,000	400,000,000	664,375,636	332,187,818	
1999	800,000,000	400,000,000	797,250,992	332,187,818	BONUS 1:5
2000	800,000,000	400,000,000	797,250,992	398,625,496	
2001	800,000,000	400,000,000	797,250,992	398,625,496	
2002	800,000,000	400,000,000	797,250,992	398,625,496	
2003	800,000,000	400,000,000	797,250,992	398,625,496	
2004	800,000,000	400,000,000	797,250,992	398,625,496	
2005	960,000,000	480,000,000	956,701,190	478,350,595	BONUS 1:5
2006	960,000,000	480,000,000	956,701,190	478,350,595	
2007	960,000,000	480,000,000	956,701,190	478,350,595	
2008	960,000,000	480,000,000	956,701,190	478,350,595	
2009	960,000,000	480,000,000	956,701,190	478,350,595	
2010	960,000,000	480,000,000	956,701,190	478,350,595	
2011	960,000,000	480,000,000	956,701,190	478,350,595	
2012	960,000,000	480,000,000	956,701,190	478,350,595	
2013	960,000,000	480,000,000	956,701,190	478,350,595	
2014	960,000,000	480,000,000	956,701,190	478,350,595	
2015	1,500,000,000	750,000,000	1,195,876,488	597,938,244	BONUS 1:4

Shareholder's Information Cont'd

Bonus History

DATE ISSUED	NUMBER ISSUED	AMOUNT (NAIRA)	BONUS RATIO
1979	500,003	1,000,006	BONUS 1:3
1981	8,000,044	4,000,022	BONUS 1:1
1984	16,000,088	8,000,044	BONUS 1:1
1988	24,000,154	12,000,066	BONUS 3:4
1990	28,000,154	14,000,077	BONUS 1:2
1992	42,000,232	21,000,116	BONUS 1:2
1994	126,000,692	63,000,346	BONUS 1:1
1995	126,000,692	63,000,346	BONUS 1:2
1996	286,373,558	143,186,779	BONUS 1:5
1999	132,875,165	66,437,583	BONUS 1:5
2005	159,450,198	79,725,099	BONUS 1:5
2015	239,175,298	119,587,649	BONUS 1:4

Ten-Year Dividend History

YEAR	DIVIDEND NOS	DIVIDEND PAID (GROSS) (N '000)	DIVIDEND PER SHARE (KOBO)	DATE PAID
2005	28	382,680,476.00	0.40	25/05/2006
2006	29	430,515,535.50	0.45	23/05/2007
2007	30	430,515,535.50	0.45	28/05/2008
2008	31	574,020,714.00	0.60	22/05/2009
2009	32	717,525,892.50	0.75	26/05/2010
2010	33	1,148,041,428.00	1.20	25/05/2011
2011	34	1,148,041,428.00	1.20	25/05/2012
2012	35	1,243,711,547.00	1.30	25/05/2013
2013	36	1,243,711,547.00	1.30	12/06/2014
2014	37	717,525,892.50	0.75	12/06/2015

Unclaimed Dividend as at 31/12/2015

YEAR	AMOUNT UNCLAIMED
2004	7,864,121.25
2005	15,473,764.52
2006	28,408,149.72
2007	17,562,730.21
2008	22,354,227.34
2009	31,147,603.38
2010	54,204,357.43
2011	147,708,147.24
2012	106,867,399.68
2013	116,974,369.98
2014	144,761,853.60
2015	80,125,234.48
TOTAL	773,451,958.83

Unclaimed Dividend Warrants, Bonus and Rights Certificates

Our records show that dividend warrants in respect of the unclaimed dividends listed above have not been presented while a number of scrip/rights Share have been returned to the Registrars as unclaimed and undeliverable.

For Script/Rights Certificates and Unclaimed Dividends, Contact:

The Managing Director
GTL Registrars Limited
(formerly Union Registrars Ltd)
2, Burma Road Apapa
P.M.B. 12717,
Lagos.

List of Distributors

Distributors	Distributors
A G Pillars	Fusaha Ventures Nig Ltd
Achida Pharmacy Limited	Goodall Pharmacy & Stores
Achijoe & Sons Nigeria Limited	Greenseal Nigeria Ltd
Alh Dalha Garba (Main)	I . O. Obison Pharmacy Company, Nigeria, Ltd.
Alhaji A.D. Basharu	Iderakeji
Alhaji Salau Idris	Iduh Integrated Services Nig. Ltd
Alhaji Yahaya Ibrahim Pharmaceutical Ltd.	Jecon International Limited
Alpha Pharmacy And Stores (Nigeria) Ltd	John O. Adebiyi
Antocee Pharmaceutical Ltd.	Kudyunus Bislar Nigeria Ltd
Arumah Global Pharmacy Ltd	Mac-Donas Investments Limited
Ayisagi Nigeria Limited	Madaci Pharmacetical Company Limited
Azcon Industries Limited	Makbilo Nig Ltd
Bala Koki & Sons	Manicsson Nig Ltd
Benomart & Co.	Matador Dafon Pharma Ltd
Best NAO Pharmaceutical Ltd	Mazaf Honest Concept Limited
Bimzy Super Stores Limited	Nichmoson Pharmacy & Stores
Blessed Andy Investment Co. Nig. Ltd	Oyewa Investment Limited
Calson Pharmaceuticals & Stores Ltd	Quinlatoria Comm. Agency
Cfe Trading Company-Enugu	Rawaya'U Medicine Store
Chitech Global System Limited	Rickmen Healthcare Ltd
Chriliz Agro Nig. Ltd	Rockmond Nigeria Limited
Chuddy Best Trading Company Ltd	Sally Yusuff & Sons Limited
CJ Groceries Trading Company Ltd	Sam Egenti & Company Limited
Coref OD'S Services Ltd.	Sood & Jins Company Ltd
Dan Asabe Odita Nig. Ltd.	Stendos Multilinks (Nig) Ltd
Danick Pharmacy Limited	Sutex Pharmaceuticals
Doda Troupe International Ltd.,	Tivo Coporate Services Ltd
Dupsjuls Nigeria Limited	Ugo - Durumba Enterprises Limited
Echidime Investment Limited	Viseg And Associates Limited
Eugemark Ind, Ltd	Walder Concept Limited
Faseyitan Anike Trading Ent.	World Wide Commercial Ventures Limited
Folly Adex	Zagbayi Pharmacy Limited

2015: Year in Retrospect

GlaxoSmithKline Consumer Nigeria PLC's Visit to the NSE

In recognition of GSK's contribution to the industry, in October, 2015 the Nigerian Stock Exchange invited GSK Consumer Nigeria plc to the closing of the Gong Ceremony, not just to observe the ceremony but to sound the Gong.

GSK Executives and the Executive Director, Business Development, (NSE), Mr Haruna Jalo-waziri during GSK's visit to the NSE.

GSK Directors and Company Secretary at the NSE

GSK's Managing Director and the NSE Executives at the Closing Gong Ceremony

GlaxoSmithKline Executives and the Nigerian Stock Exchange Executives during the closing gong ceremony.

2015: Year in Retrospect Cont'd

Board of Directors of GlaxoSmithKline Consumer Nig

Cross Section of Shareholders at the 44th AGM

A Shareholder raising an observation at the 44th AGM

GSK Executives at the 44th AGM

Mr. Thandalam Sriram with Audit committee members

2015 Annual General Meeting

As a publicly owned company, we know that we have a responsibility to our shareholders and have their interest in every business decision. Be it cutting edge product innovation, acquiring the best talents to expansion of factory sites. Every year, our Board of Directors and management meet with our shareholders at the Annual General Meeting to rub minds on the way forward to becoming the best Fast Moving Consumer Healthcare Company.

Shareholders being accredited at the 44th AGM

Shareholders voting at the 44th AGM

The Chairman delivering his speech at the 44th AGM

Lucozade®
SPORT

HYDRATES AND FUELS YOU FASTER THAN WATER

THERE COMES A POINT WHEN WATERS NOT ENOUGH
YOUR BODY NEEDS MORE! FUEL IT WITH
CARBOHYDRATES! RESTORE IT WITH ELECTROLYTES!
GET BACK WHAT YOU LOSE IN SWEAT!

LUCOZADE SPORT ISOTONIC PERFORMANCE FUEL
GIVES YOU WHAT YOU NEED TO GO ON.
FASTER. STRONGER. FOR LONGER!

Brand Activities

Visit of the One-Day Governor to GSK

Head of Marketing, Ms. Kerry Alexander, One Day Governor, Idowu Sonoiki and Members of his Cabinet.


One Day Governor Idowu Sonoiki and Members of his Cabinet.

GSK Management and the One Day Governor Idowu Sonoiki and his Cabinet during his visit


One day governor Idowu Sonoiki


Mr. Uwechia and Ms. Alexander, congratulating the One day governor


One Day Governor Idowu sonoiki and the Head Regulatory Affairs Mr. Uwem Udoma

2015: Brand Activities Cont'd

Project Plus+

GSK Consumer Healthcare Nigeria partnered with the Pharmacists Council of Nigeria (PCN) to tackle the menace of counterfeit and poor quality medicines in Nigeria by educating Patient Medicine dealers and sellers. This programme was held at 24 locations in 16 weeks.

Dr Filusi, MD GSK, Director PCN Lagos Zonal Office, Pharm. A. C. Ezeugwu and (LSMDA) President High Chief Kelvin Okpara

MD, GSK Consumer Nig Plc Mr Dayanand Thandalam Sriram.

Lagos State Medicine Dealers Asso.(LSMDA) President High Chief Kelvin Okpara

Pharm Filusi, Lagos PCN Zonal Director; Pharm. A. C. Ezeugwu, LSMDA President, High Chief Kelvin Okpara

Director PCN Lagos Zonal Office Pharm. A. C. Ezeugwu, GSK Medical Commercial Manager Chinyere Chimah and MD GSK.

Medical Commercial Manager Mrs Chinyere Chimah, LSMDA President High Chief Kelvin Okpara and MD, GSK, Mr Dayanand Thandalam Sriram.

2015: Brand Activities Cont'd

SOS Village

GSK staff visited the SOS Village in the course of the year and presented gifts to the children in addition to our annual sponsorship of 20 children.


GSK staff, Members of SOS village staff and children


GSK Staff on arrival at the SOS village


Welcome Address by the SOS Village Staff

The Company Secretary and the HR Director at the SOS Village


GSK Staff at the SOS village

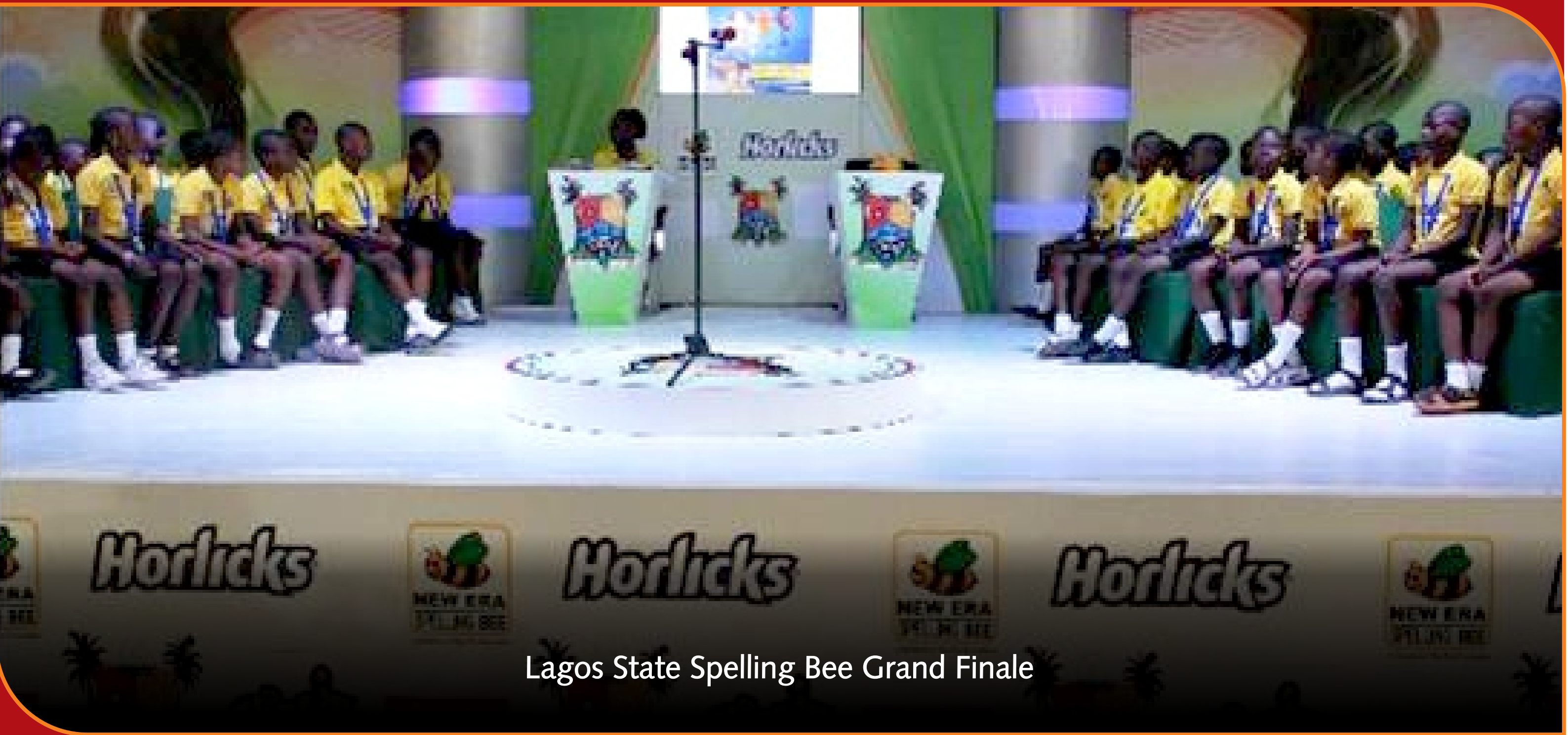

GSK Staff at SOS village

GSK Staff presenting gifts to SOS village staff.

2015: Brand Activities Cont'd

Spelling Bee Competition

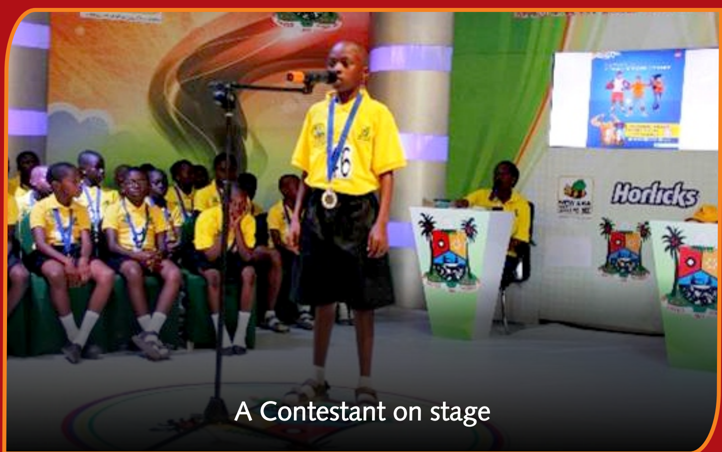
In March 2015, GSK Nigeria treated pupils, parents/caregivers, teachers and guests to the deliciousness of Horlicks as they participated in the annual Lagos State Spelling Bee competition, proudly sponsored by GSK's nutritional health drink, Horlicks. The Lagos spelling bee is an annual competition for public primary and secondary schools in Lagos, Nigeria, initiated and introduced to the Lagos State Ministry of Education by New Era Foundation (NEF).



Lagos State Spelling Bee Grand Finale

Cross section of teachers at the Finale


Contestants at Preliminary stages



A Contestant on stage


Winners at the Grand Finale

GLAXOSMITHKLINE CONSUMER NIGERIA PLC
45th ANNUAL GENERAL MEETING TO BE HELD AT THE
SHELL NIGERIA HALL, MUSON CENTRE, 8/9 MARINA, ONIKAN, LAGOS.
ON MONDAY, 4TH JULY, 2016 AT 10 A.M.

I/We*..
.....
(Name of Shareholder(s) IN BLOCK LETTERS PLEASE)
of...
....Being a shareholder(s) of GlaxoSmithKline Consumer Nigeria PLC hereby appoint **...of...........................
....

or failing him the Chairman of the Meeting as my/our Proxy to act and vote on my behalf at the Annual General meeting of the Company to be held on 4th July, 2016 and at any adjournment thereof.

Dated this ....day of..................2016

Shareholders' Signature...

*Shareholder's name are to be inserted in block letters please. In case of joint shareholders, anyone of such may complete this form, but the names of all joint holders must be inserted.

A shareholder(s) who is/are unable to attend an Annual General Meeting is/are allowed by law to vote by proxy. The above form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Provision has been made on the proxy form for the Chairman of the meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked) the name of any person, whether a shareholder(s) of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.

A member voting in his own right as a member and also voting as proxy or representative for another or other members should fill one voting paper for his own holding and a separate paper for each of the members he is representing. Similarly, those present who are acting as proxy for more than one other members must complete a separate voting form for each member they represent.

NUMBER OF SHARES		
ORDINARY RESOLUTIONS		
1. To declare a dividend		
2. To re-elect Directors retiring by rotation		
a. Mr. Chinedum Okereke		
b. Mr. Samuel Kuye		
c. Mr. Lekan Asuni		
3. To authorize the Directors to fix the remuneration of the Auditors.		
4. To elect Members of the Audit Committee		
SPECIAL RESOLUTION		
5. To fix the remuneration of the Directors		
6. To authorize the Company to procure goods and services from related parties.		

Please indicate an 'x' in the appropriate box how you wish your votes to be cast on the resolutions set out above.
Unless so instructed the proxy will vote or abstain from voting at his/her discretion. Please sign the above proxy form and post it to reach the Registrars or the Company Secretary at the registered office of the Company not later than 48 hours before the time of holding the meeting.

If executed by a Corporation, the proxy form should be sealed with the Common Seal.

TO BE VALID, THIS FORM HAS TO BE DUTY STAMPED

Proxy Form

Please admit bearer of this form or his/her duly appointed proxy to the 45th Annual General Meeting of GlaxoSmithKline Consumer Nigeria PLC to be held at the Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos on Monday, 4th July, 2016.

Name of person attending ....
Shareholder ....
No of shares held..
Proxy ....
Signature ....

Important:
(i) This admission form must be produced by the shareholder/proxy in order to obtain admittance to the Annual General meeting. Shareholder/proxy is requested to sign the admission form before attending the meeting.
(ii) Shareholders or their proxies are requested to sign the admission form before attending the meeting.

Uche Uwechia, Esq.
Company Secretary

Shareholders Admission Form

Affix
N50.00 Postage Stamp
Here

The Managing Director
GTL Registrars Limited
(Formerly Union Registrars Ltd)
2, Burma Road Apapa
P.M.B. 12717,
Lagos

APPLICATION FORM
for e-bonus & e-dividend

Dear Shareholder(s)

SHAREHOLDER'S DATA UPDATE

In our quest to update shareholders data with the current technology in the capital market i.e. e-Bonus and e-Dividend, we require

you to complete this form with the following information:-

Tel Nos: CSCS A/C No: STOCK BROKING FIRM

E-Mail Add: Name of Bank

Branch of Bank Bank Acct No Branch Code

No of Units held

NAME OF SHAREHOLDER/ CORPORATE SHAREHOLDER

PRESENT/NEW ADDRESS:

REGISTRAR'S USE

Name: ....

Signature: ....

Date: ....

NAME OF COMPANY IN WHICH YOU HAVE SHARES

GLAXOSMITHKLINE CONSUMER NIGERIA PLC

Please notify our Registrars, GTL Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,

GLAXOSMITHKLINE CONSUMER NIGERIA PLC

Note : Please be informed that by filling and sending this form to our Registrar, GTL Registrars Limited for processing, you have applied for the e-Dividend and e-Bonus; thereby, authorizing GLAXOSMITHKLINE CONSUMER NIGERIA PLC to credit your account (in respect of dividends and bonuses) electronically.

PLEASE COMPLETE AND RETURN TO
GTL Registrars Limited
(former Union Registrars LTD)
2 BURMA ROAD, APAPA.

GLAXOSMITHKLINE CONSUMER NIGERIA PLC
(RC8726)

In case of Corporate Shareholder, use company seal.

Affix
N50.00 Postage Stamp
Here

The Managing Director
GTL Registrars Limited
(Formerly Union Registrars Ltd)
2, Burma Road Apapa
P.M.B. 12717,
Lagos

ELECTRONIC DELIVERY
MANDATE FORM

Dear Sir/ Madam,

To enable you receive your Annual Reports promptly, your company wishes to introduce electronic delivery of Annual Reports and Financial Statements, Proxy Forms and other statutory documents to shareholders.
With this service, instead of receiving the hard copy of our Annual Report and other corporate documents in future, you can elect to receive soft copy of the Annual Report, Proxy Form, etc, through the electronic link to be forwarded to your e-mail address or opt to receive the soft copy (Compact Disc) of the Annual Report by post.

Please complete this self addressed form to capture your preference and return the completed form to:
The Managing Director
GTL Registrars Limited, or any of their branch offices nationwide
2, Burma Road, Apapa
P.M.B 12717, Lagos

Uche Uwechia
Company Secretary

I, ______________________________

OF ____________________ HEREBY AGREE TO THE ELECTRONIC DELIVERY OF ANNUAL REPORT, PROXY FORM, PROSPECTUS, NEWSLETTER AND STATUTORY DOCUMENTS OF **GLAXOSMITHKLINE CONSUMER NIGERIA PLC** TO ME THROUGH:

PLEASE TICK **ONE** OPTION ONLY

☐ ELECTRONIC COPY VIA A COMPACT DISC (CD) SENT TO MY POSTAL ADDRESS

☐ I WILL DOWNLOAD FROM THE WEB ADDRESS FORWARDED TO MY E-MAIL ADDRESS STATED BELOW.

MY E-MAIL ADDRESS: ______________________________

DESCRIPTION OF SERVICE
By enrolling in electronic delivery service, you have agreed to receive future announcements/ shareholder communication materials stated above by E-mail/ Compact Disc (CD)/Internet Internet Address (URL). These materials can be made available to you electronically either semi-annually or annually. Annual Report, Proxy Form, Prospectus and Newsletters are examples of shareholder communications that can be available to you electronically. The subscription enrolment will be effective for all your holdings in GlaxoSmithKline Consumer Nigeria plc on an on-going basis unless you change or cancel your enrolment.

This initiative in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128(6) of September 2011 which states that "A Registrar of a public company may dispatch Annual Reports and Notices of General Meetings to shareholders by electronic means".

____

Name (Surname first)

____

Signature and date

Affix
N50.00 Postage Stamp
Here

The Managing Director
GTL Registrars Limited
(Formerly Union Registrars Ltd)
2, Burma Road Apapa
P.M.B. 12717,
Lagos

Letter From GTL Registrars

Dear Shareholder,

Introducing the E-Dividend Mandate Management System (E-DMMS)

We are pleased to inform you that dividends on your shareholdings can now be paid directly into your preferred Bank Account.

This is made possible with the e-Dividend Mandate Platform that allows you to register/validate your e-dividend mandate at any Bank branches nationwide or at any of the {name of Registrar} Registrars offices.

The platform also provides you a quick and convenient way to enjoy the benefits of the direct cash settlement (DCS) from your Registrars, whilst minimizing the incidents of unclaimed dividends.

To register and be mandated for your e-dividend free of charge within 150 days spanning April 14, 2016 to September 13, 2016, please visit any Bank branches nationwide or any of the GTL Registrars' offices.

It is easy and it is a one-off exercise!!!

The Managing Director
GTL Registrars Limited
(Formerly Union Registrars Ltd)
2,Burma Road Apapa
P.M.B. 12717,
Lagos.

do more
feel better
live longer


ENDORSED BY THE SOCIETY FOR THE STUDY OF PAIN, NIGERIA.
gsk
RELIEVES 5 TYPES OF STRONG PAIN
√ Headache
√ Toothache
√ Backache
√ Muscle Ache
√ Menstrual Pain
Panadol
Extra
Extra effective pain relief ✓
Reduces fever ✓
Gentle on the stomach ✓
Paracetamol 500mg B.P. and Caffeine 30mg
100 CAPLETS
Easy to swallow Caplets
Endorsed by the Society for the Study of Pain, Nigeria.
WHEN STRONG PAIN IS GONE LIFE TAKES ITS PLACE
ALWAYS READ LABEL BEFORE USE.
CONTAINS PARACETAMOL AND CAFFEINE.
NOT RECOMMENDED FOR USE DURING PREGNANCY & FOR CHILDREN UNDER 12 YEARS.
IF SYMPTOMS PERSIST AFTER 2 DAYS CONSULT YOUR DOCTOR.


RELIEVES 5 TYPES OF STRONG PAIN
√ Headache √ Toothache √ Backache √ Muscle Ache √ Menstrual Pain
Panadol
Extra
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Head Office

GlaxoSmithKline Consumer Nigeria PLC.
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P.M.B. 21218, Ikeja, Lagos, Nigeria.
Tel: +234 1 271 1000
www.gsk.com/ng

GSK Factory

KM 32, Igbesa Road,
Agbara Industrial Estate,
Agbara, Ogun State.

Designed by:
EQUIPPÉSTREAMS // 08096887777