GlaxoSmithKline Consumer Nigeria PLC.
(RC 8726)

gsk

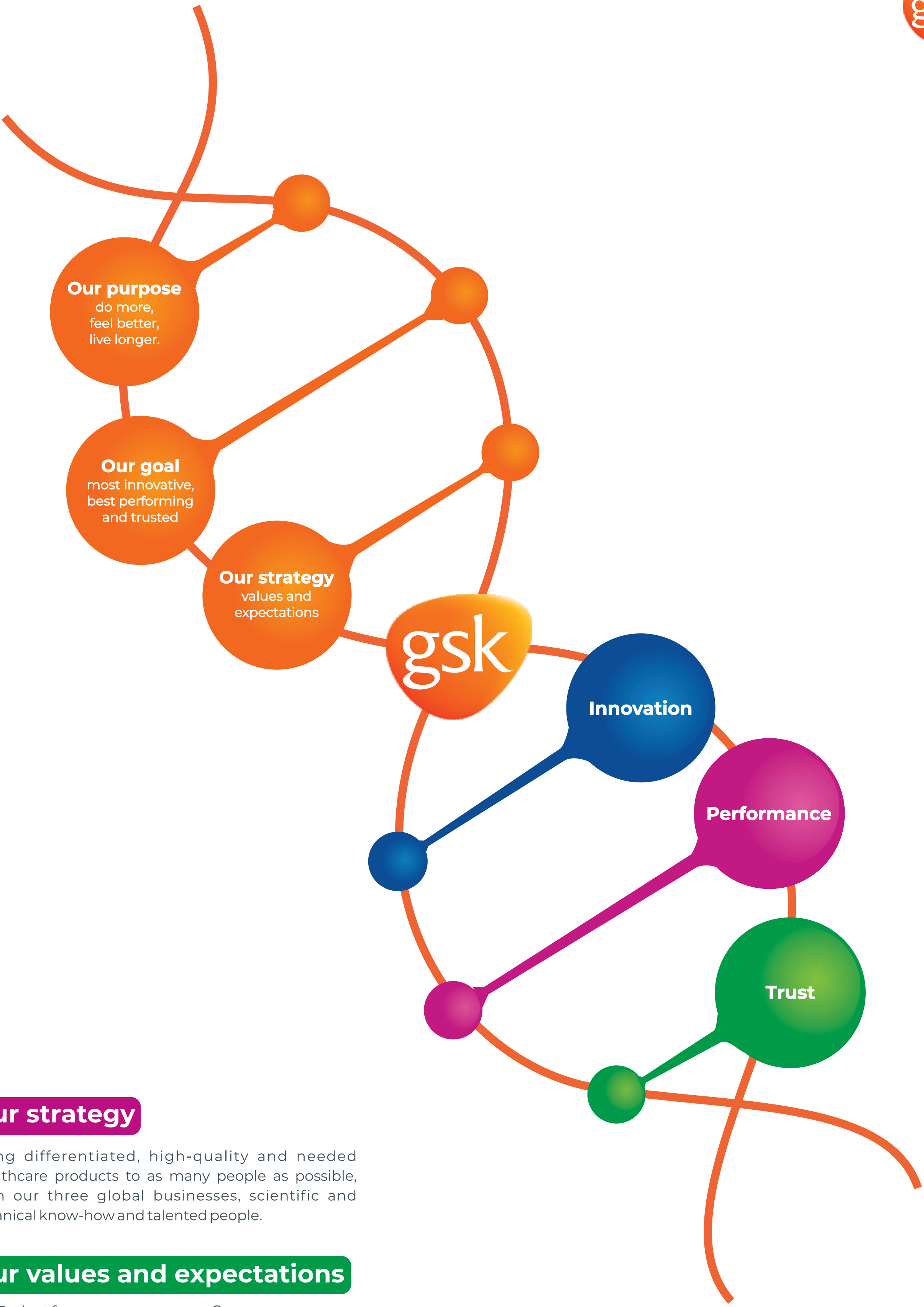
do more
feel better
live longer

2018
Annual Report
& Financial Statements

macleans
SENSODYNE
Panadol
Andrews


Do these
hurt your teeth?
Change to Sensodyne.
SENSODYNE
24/7 SENSITIVITY PROTECTION*
Endorsed by Nigerian Dental Association
ADVANCED FORMULA
WITH FLUORIDE
SENSODYNE®
CLINICALLY PROVEN RELIEF AND DAILY PROTECTION FOR SENSITIVE TEETH
Daily Care
Protects against sensitive teeth
Protects against decay
Removes plaque
Helps maintain healthy gums
75ml
CHAWA/CHSENO/0005/16(1)
Dr Yinka Lesi
Endorsed by
NIGERIAN DENTAL ASSOCIATION
No.1 DENTIST RECOMMENDED BRAND FOR SENSITIVE TEETH

Our DNA



Our strategy

Bring differentiated, high-quality and needed healthcare products to as many people as possible, with our three global businesses, scientific and technical know-how and talented people.

Our values and expectations

- Patient focus
- Transparency
- Respect
- Integrity.
- Courage
- Accountability
- Development
- Teamwork.

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.

In this Strategic Report

Corporate Report

Financial Statements

Shareholders' Information

We are a science-led global healthcare company. We have three world-leading businesses that research, develop and manufacture innovative pharmaceutical medicines, vaccines and consumer healthcare products.

We are committed to widening access to our products, so that more people can benefit, no matter where they live in the world or what they can afford to pay.

We are on a mission to help people do more, feel better, live longer.

Financial Highlights

THE GROUP

Continuing Operations	2018 N'000	2017 N'000	% Growth
Revenue	18,411,475	16,089,728	14
Gross profit	6,756,778	4,479,568	51
Profit before tax	1,160,154	1,124,269	3
Income tax (expense)/credit	(542,530)	(637,836)	-115
Profit after tax for the year	**617,624**	486,433	**27**
Discontinued Operations			
Share capital	597,939	597,939	0
Shareholders funds	8,832,782	17,172,087	-49
Earnings per share (kobo)	52	41	27
Net asset per share	7.39	14	-47

Notice of the 48th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Eight Annual General Meeting of GlaxoSmithKline Consumer Nigeria PLC will be held at the Shell Nigeria Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos, on Thursday 23rd May 2019 at 11 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 2018 together with the reports of the Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To elect/ re-elect Directors.
   In accordance with section 252 of the Companies and Allied Matters Act, notice is hereby given that Mr. Edmund Onuzo, a director in the Company, and Chairman of the Board of Directors, has attained 70 years of age.
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 the 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.

NOTES:

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 and also available on the company website www.gsk.com.ng. Proxy forms must be completed and deposited at the office of the Company's Registrars, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Way, Yaba, P.M.B 12717, Lagos, not later than 48 hours before the time of the meeting.

II. PAYMENT OF DIVIDEND

If the dividend recommended is approved, dividend would be paid electronically on Friday 24th May 2019 to holders of shares whose names appear in the Register of Members at the close of business on Tueday 23rd April 2019, and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their bank accounts.

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 the commencement of business on Wednesday 24th April 2019 to Monday 6th May 2019, 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 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, Greenwich Registrars & Data Solutions Limited to assist in the distribution of dividend warrants and share certificates.

VI. E-DIVIDEND

Shareholders who are yet to complete the e-dividend registration are advised to download the Registrar's E-Dividend Mandate Activation Form, which is also available on our website - www.gsk.com/ng or Greenwich's website - www.gtlregistrars.com complete and submit to the Registrar or their respective Banks.

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 & Accounts at least one week before the Annual General Meeting and forward copies to the relevant regulatory bodies.

Dated this 7th day of March 2019.

By Order of the Board

Uche Uwechia, Esq.
Company Secretary
FRC/2013/NBA/00000001970
GlaxoSmithKline Consumer Nigeria PLC
GSK Nigeria House,
1, Industrial Avenue, Ilupeju, P.M.B. 21218, Ikeja, Lagos.
Dated this 15th day of March 2019.

Directors, Officers and Professional Advisers

Directors

Mr. Edmund C. Onuzo	*Chairman*
Mr. Bhushan Akshikar (Indian)	*Managing Director*
Mr. Samuel Kuye	
Mr. Tunde Lemo, OFR	
Mrs. Lubabatu Bello	
Mr. Kareem Hamdy (Egyptian)	
Ms. Debra Mallowah (Kenyan)	*(appointed with effect from 23/05/2018 and resigned with effect from 28/12/2018)*
Mr. Basel Nizameddin (Syrian)	*(appointed with effect from 23/05/2018)*

Company Secretary

Uchenna Uwechia, Esq.

Head, Corporate Reporting

Olukunle Adewusi

Registered Office

GSK House, 1, Industrial Avenue, Ilupeju, P.M.B. 21218, Ikeja, Lagos.
Tel: +234-1-2711000, Fax: +234-1-2716172
Investors e-mail: ng.investors@gsk.com
Website:www.gsk.com/ng

Registrar and Transfer Office

Greenwich Registrars & Data Solutions Limited (Formerly GTL Registrars Limited)
274, Murtala Muhammed Way, Yaba, P.M.B 12717, Lagos.
Tel: +234-(0)1-01-2793160-2, +234-1-2917745, +234-(0)2917714

External Auditors' Office

Deloitte & Touche, Civil Centre Towers,
Plot GA 1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria
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)*
Mr. Sunday O. Ogunnowo	*Members' Representative*
Mr. Yakubu T. Mosuro	*Members' Representative*
Mr. Samuel Kuye	*Director*
Mr. Tunde Lemo, OFR	*Director*
Ms. Debra Mallowah	*Director(Resigned effective 28/12/2018)*

Company Profile

Who we are

We are a science-led global healthcare company. We have three world-leading businesses that research, develop and manufacture innovative pharmaceutical medicines, vaccines and consumer healthcare products.

We are committed to widening access to our products, so that more people can benefit, no matter where they live in the world or what they can afford to pay.

We are on a mission to help people do more, feel better, live longer.

Our employees put our values at the heart of everything they do. In Nigeria, we are a company of 290+ individuals united by our mission and our four values:

Be patient focused | Act with integrity | Demonstrate respect for people | Operate with transparency

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 was expanded to include facilities to manufacture Oral Healthcare (OHC) and Wellness products.

In September 2016, GSK Consumer Nigeria Plc concluded the divestment of the Drinks Business - Lucozade and Ribena, including its bottled water- Hydropure - and transferred ownership to Suntory Beverage & Food Nigeria limited. This divestment included 65 percent of the manufacturing site in Agbara of which the drinks production equipment was a part.

The new Consumer Healthcare Business in Nigeria retains 35 percent of the manufacturing facility for the manufacture and packaging of consumer healthcare products - Panadol, Andrews Liver Salt and Macleans. Other GSK consumer healthcare brands include Sensodyne, Voltaren, Otrivin and CAC 1000.

In line with our commitment to continuous improvement, we have regularly upgraded our facilities to meet our consumer demand.

Responsible Business

As a business, we have a responsibility to the society, and society has expectations of us. Our goal is to meet those responsibilities and expectations - and, where possible, exceed them. 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 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

Company Profile

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.

Human Capital and Work Environment

We continue to engage excellent 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. By way of training and development, we explore opportunities to place our employees on exchange programmes and secondments in different parts of the world.

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 the rules of conduct in relation to business and regulations. We also place priority on the ethical conduct of our employees and third-party vendors, by ensuring that they are familiar 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

At GSK, we believe how we do business is as important as what we do - it's what makes us different - so we are challenging industry norms by changing the way we work.

We provide employment opportunities for hundreds of people and develop graduates up to leadership levels. 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.

"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.

Chairman's Statement

Dear Distinguished Shareholders, Representatives of Regulators here present, Representatives of our External Independent Auditors, our Registrars, fellow Directors, gentlemen of the Press, representatives of Management and Staff here present, ladies and gentlemen. I am delighted to welcome you all on behalf of the Board of Directors, to the 48th Annual General Meeting of our company.

I wish to express my sincere gratitude, first to God, for His infinite benevolence, to you our esteemed shareholders for your unflinching support and to my committed colleagues for their invaluable cooperation and unwavering commitment in directing the affairs of our company amidst these challenging times. Please permit me to provide a quick review of the national business environment, within which our company operated in the year under review before laying before you the annual reports and financial statements for the year ended December 2018.

Business Environment

The past year can best be described as a period of steady healing for Nigeria's economy. In the first six months of 2018, the Nigerian economy recorded improvements that were engendered by increasing business activities, rising oil prices in the global market, increased oil output by the country, declining inflation and increased inflow of foreign exchange. Economic indicators stayed positive from the start of the year except for the equities market which saw a lot of volatility but still closed slightly positive, and the manufacturing sector where there were complaints of lack of access to cheap finance and post congestions.

Carryovers from 2017 to 2018 helped increase capital spending in the first four months, and despite delayed approval of the 2018 budget, lower yields kept interest payments within the budgeted parameters. Federal Government's interest-to-revenue ratio also helped to absorb more than half of the revenues in the year.

The Government is taking significant steps to improve the 'ease of doing business' by tackling the factors that have belaboured economic performance with vigorous economic recovery growth plans. Our desire is to support the Government to improve the perception of Nigeria as an investment friendly country and ultimately, build a stable business environment. This can only be achieved through a more integrated approach and with stronger collaboration between the public and private sectors.

It is within the context of the environment described above, that I hereby present to you my statement.

The Capital Market

The NSE equity market started 2018 on a high, with the All Share Index (ASI) reaching a ten-year peak of 45,092.83 in January. This was largely driven by the positive performance of the ASI in 2017 which emerged the best in Africa. In the year under review also, the Nigerian Stock Exchange All-Share Index (NSE ASI) notched a nine percent gain in first quarter, Q1'18 amid significant foreign interest, However, investor uncertainties emerged in subsequent quarters and in the second quarter, political risks, oil price volatility and rising global yields resulted in bearish sentiments that saw the ASI and equity market capitalization fall by 17.81% and 13.87% to close at 31,430.50 and N11.73trillion respectively.

Also, the global economic phenomenon affected the Nigerian stock market by heightened trade tensions between the U.S and China, volatile commodity prices, and monetary tightening in the United States. Consequently, the stock market lost -17.8 percent or -6,812.69 points as the benchmark market Index, NSE ASI closed at 31.430.50 points in December 31, 2018 from 38,243.19 points it closed on December 29, 2017. In a similar vein investor lost 13.9 percent or N1.9 trillion of their investment value, represented by market capitalization which stood at N11.720 trillion at the close of trading on December 31, 2018 from N13.609 trillion at the end of trading in December 29, 2017. Also, in fulfilment of its desire to champion sustainable capital market practices in Africa, the NSE announced the approval of its Sustainability Disclosure Guidelines.

The Healthcare Sector

Nigeria's health sector in 2018 went through some dramatic twists and turns with the role of the private sector in moving the needle in the health sector through investment and providing health financing options became a serious conversation in the year.

Strengthening Primary Health Care in Nigeria received a much-needed boost in 2018 with the allocation of funds for the Basic Healthcare Provision Fund (BHCPF) in the 2018 budget.

In the same year, the National Primary Health Care Development Agency (NPHCDA) also launched the Primary Health Care Under One Roof (PHCUOR) Initiative, meant to integrate basic health care services under the umbrella of primary health care.
2018 will also be spoken of as the year of Epidemic

Chairman's Statement

Preparedness. It was a significant milestone in 2018 when President Buhari signed the bill for an act to establish the National Centre for Disease Control (NCDC) on the 13th November 2018. The Nigeria Centre for Disease Control worked to strengthen epidemic preparedness. This included the rolling out of Emergency Operation Centers (EOCs) across different states in the country.

Conversations around Universal Health Coverage also deepened in 2018, as it stands now, twenty-two states in Nigeria have signed into law, health insurance legislation, which means that in these states, it is now mandatory for every resident of the state to have health insurance.

We are committed to complementing Government efforts in this regard as we believe that collaboration with Government from the private sector will help to achieve an even more inclusive success healthcare agenda.

Performance & Operating Results

GlaxoSmithKline Consumer Nigeria PLC was better in 2018, and while its performance may beat last year, consumer healthcare business continues to face challenges. It is instructive to note that 2018 was generally a difficult year for manufacturers in the country since economic growth remained sluggish, and consumer spending was also weak. Efforts will continue to reposition the segment to achieve sustainable performance. In summary, Turnover grew by 14% against 2017 to close at =N=18.411billion while Gross profit grew by 51% to =N=6.757billion. Profit before tax and Profit after tax grew by 3% and 27% to close at =N=1.160billion and =N=617.624million respectively.

Dividend

For the 2018 financial year, the Directors would be proposing a dividend payment of ?597,938,244.00 representing 50 kobo per 50 kobo per share composed of 36k from retained pioneer profits and 14k from after tax profit for the year ended 31st December 2018 subject to appropriate withholding tax and approval at this Annual General Meeting.

Our People

GSK values its people and would always seek to improve their capabilities and expertise to ensure that they are fit to deliver on the corporate objectives. Bearing in mind the importance of employee feedback, GSK has embarked on periodic engagement surveys that are tracked locally and globally to ensure that the employees voice is heard. During the year, line managers underwent training on practical coaching in the work place for effective leadership. The learning at work programme was equally launched while the company also embraced the modern employer concept that support flexibility in creating work -life balance, inclusion and diversity. This program has three pillars made up of 'be you, feel good and keep growing'. We promote flexible working conditions, constant engagement and feedback supported by reward and recognition.

We also launched the Global Challenge, in conjunction with Virgin Pulse, that seeks to improve general health and wellbeing of our employees through choreographed physical exercises and tracking of critical wellness indices. We would continue to invest in our people through trainings and personal development initiatives.

Supporting Asthma Control in Nigeria

In 2018 GSK reiterated its commitment to improving Asthma control among children while unveiling a new offering, Flixotide at the 2019 annual Paediatrics Association of Nigeria Conference in Ibadan Oyo State.

Partnership with SOS Children's Village

In November 2018, GSK presented a cheque donation of N4,088,000 to the management of SOS Villages in Nigeria. For the 15th time in a row, this is another contribution of GSK to provide education and upkeep for the children of the home. Every year, staff of GSK visit the home in Isolo Lagos with donations from the staff and to also spend time with the children. 2018 was not an exception.

The Board

Since the last Annual General Meeting, there have been some changes in the composition of the Board.
The following Non-Executive Directors were appointed:

- **Mr. Basel Nizameddin (with effect from 23rd May 2018).**
- **Ms. Debra Mallowah (with effect from 23rd May 2018).**

Ms. Debra Mallowah resigned with effect from 28th December 2018 to pursue other interest outside the Company.

I would like to thank Debra for her contributions and wish her success in her future endeavours.

I would want to use this opportunity to sincerely thank my fellow directors for their indefatigable support and commitment to the Company all through the year.

Future Outlook

Distinguished shareholders, there is no doubt that the environment in which we operate will remain

Chairman's Statement

challenging, more so, as we begin a new political dispensation. The task before the Board and Management is to drive those strategic objectives that would not only keep the business afloat in these trying times, but also to become more efficient and profitable. As such investing in A&P behind our brands, launch new products under core brands and keep costs down as a key focus area in an inflationary environment will be key to our success.

Conclusion

Distinguished shareholders, I want to specially thank you again for your great support and remarkable commitment during the 2018 business year. Be assured that GSK will continue to deploy appropriate business strategies and realignment of the company's objectives to focus more closely on wellness, oral healthcare and new business.

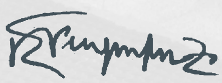
I also have the pleasure to notify distinguished shareholders that I have joined the rare diamond platinum and I am grateful to almighty God for the privilege.

It is because of all of us gathered here, that GSK has remained a highly relevant, responsive and result-focused company. Our wish is to consolidate on the gains made and intensify internal reforms to further increase our efficiency and development effectiveness by improving project performance and outcome.

Finally, I 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 Onuzo
Chairman
7th March 2019
FRC/2015/IODN/00000011038

Board of Directors
& Company Secretary

L - R: Mr. Basel Nizameddin | Mrs. Lubabatu Bello | Mr. Samuel Kuye | Mr. Edmund C. Onuzo (Chairman)
Mr. Bhushan Akshikar | Mr. Tunde Lemo OFR | Mr. Kareem Hamdy | Mr. Uche Uwechia Esq. (Company Secretary)

Board Members

MR. EDMUND C. ONUZO, 70

The Chairman of the Board of Directors, who holds a Bachelor's 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.

He was first appointed to the Board as a Non-Executive director on 1st June, 2006 and the Chairman effective 12th June 2014.

BHUSHAN AKSHIKAR, 48

Mr. Akshikar is currently the Managing Director of GlaxoSmithKline Consumer Nigeria PLC. He holds a post graduate MBA in Marketing and a Bachelor's Degree in Pharmaceutical Sciences from the University of Mumbai, India.

Over the past two decades, Bhushan has gained rich and broad commercial experience in the healthcare industry, having worked in varying positions of increasing responsibility. He joined the Company in 2011 and has been responsible for driving GSK India's renewed foray in respiratory/CNS areas and simultaneously leading the large legacy business units of Classic and Established brands. Prior to joining GSK, Bhushan had worked with Johnson & Johnson for over 16 years across diverse markets like India, South Korea and Belgium where he led both specialty and established business units. He was appointed as a Non-Executive Director of GlaxoSmithKline on 9th March, 2017 and the Managing Director of the Company effective 20th March 2018.

MR. SAMUEL KUYE, 65

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. He was appointed to the Board as an Independent Non-Executive Director on 12th of June 2014

MR. TUNDE LEMO, OFR., 59

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.
He was appointed to the Board as an Independent Non-Executive Director on 1st December 2014.

MRS. LUBABATU BELLO, 62

Mrs. Bello, a Pharmacist, 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.
She was appointed to the board as an Independent Non-Executive Director on 1st December 2014.

KAREEM HAMDY, 35

Mr. Hamdy has over 12 years' experience in financial management & accounting, business partnering, strategic planning, change management and corporate finance management. Mr. Hamdy Joined GlaxoSmithKline Dubai as the Finance and Supply Chain Manager in 2011; a role he occupied for 2 years before being promoted to Finance Business Partner in 2013. He moved to GlaxoSmithKline UK as the Bison, IPT and Finance Transformation Business Implementation Lead in 2015.
Prior to joining GSK, Mr. Hamdy worked as Financial Planning Analysist for Mobility Etisalat Saudi Arabia from 2008-2010 and was a Senior Analyst from 2010 to 2011. He also worked at Unilever and Coca-Cola International Egypt during the early years of his career.
He was appointed as an Executive Director of GlaxoSmithKline effective July 27, 2017.

MR. BASEL NIZAMEDDIN, 48

Mr. Basel Nizameddin is a highly driven and top performing senior executive with over 22 years' cognate experience within the Pharmaceutical & Consumer Healthcare industries in top tier 1 multinational companies across Middle East & Africa, targeting diversified consumers and patients' segments. He started his career in 1995 as a medical representative with Eli Lilly before joining Novartis Consumer Health. He later joined Nestle Nutrition in 2000 where he held increasing levels of responsibilities including General Manager, Iran Business. In 2010, he joined Pfizer Nutrition as Business Strategy Director-Africa & Middle East and later General Manager, Gulf and Yemen. He was to continue in that role when Nestle acquired Pfizer Nutrition until June 2014 when he became the Operating Unit Head of Novartis Consumer Health, Middle East. Following the Joint Venture between Novartis and GSK Consumer Healthcare in 2015, Mr. Nizameddin became the General Manager, Gulf, Iran and Near East of GSK Consumer Healthcare. He was appointed the Strategy & Business Development Director of GSK Consumer Healthcare Middle East and Africa in January 2018. Mr. Nizameddin is currently a speaker and active member of THE ECONOMIST Corporate Network-MENA and was in the past a member of the International Association of IF Manufacturers (IFM), representing Pfizer globally and the Global Marketing and Innovation Board at Pfizer Nutrition. He holds a Bachelor of Science in Pharmacy from the Damascus University. He was appointed to the Board as a Non-Executive Director effective 23rd May 2018.

Management Team

1 Bhushan Akshikar (Managing Director)

2 Mark Pfister (General Manager CH)

3 Kareem Hamdy (Finance Director)

4 Peter Obasa (Site Director, Manufacturing Site)

5 Uche Uwechia (Company Secretary & General Counsel)

6 Omongiade Ehighebolo (Head of Comms & Govt. Affairs)

7 Oziofu Okwuosa (HR Manager)

8 Peter Ogo (Head of Finance, CH)

9 Soji Awotiwon (Head of Sales)

10 Abidoye Ohu (Country Manager, Ghana & OWA)

11 Sherifat Akinwonmi (Head of Technology)

12 Alaba Adegoke (Head, Internal Audit)

13 Sarah Amadi (New Products Innovations Manager)

14 Njenga Kamande (Head of Supply Chain)

15 Arit Onwusah (Regulatory Affairs Manager)

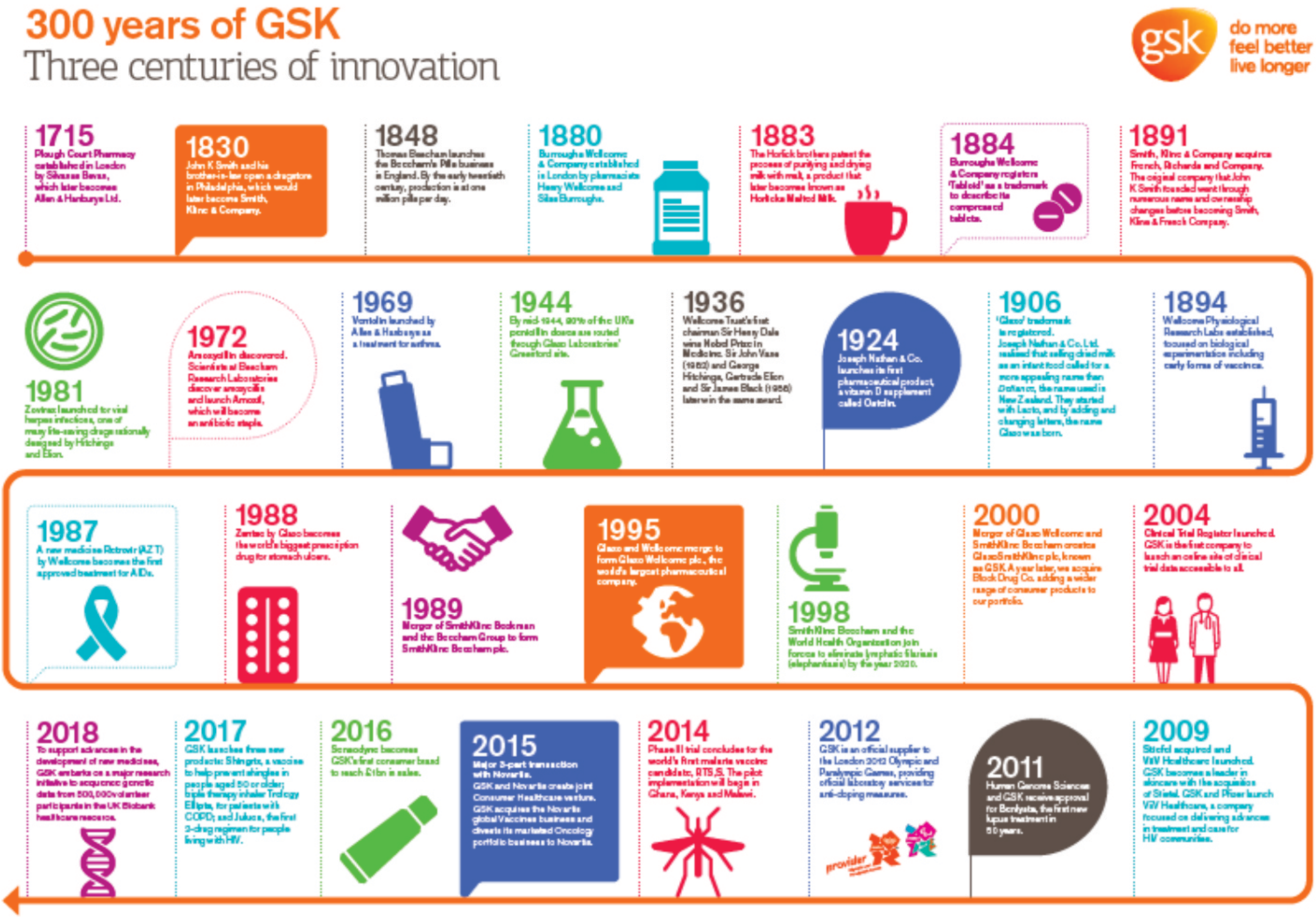
16 Isaac Ajayi (Security and EHS Manager)

17 Jordan Kamau (Ethics and Compliance Manager)

18 Vasu Chetty (Medical Affairs Manager)

19 Hellen Kiilu (Quality Manager)

Corporate Responsibility Report



For hundreds of years, we have helped transform the lives and futures of millions of people around the world. At GSK, we have a special purpose to help people to do more, feel better, live longer.

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 aim to bring differentiated, high-quality and needed healthcare products to as many people as possible, with our 3 global businesses (Pharmaceuticals, Vaccines and Consumer Health), scientific and technical know - how and talented people.

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.

Our Consumer Healthcare business develops and markets consumer preferred and expert recommended brands in the Oral health, Pain relief, Respiratory, Nutrition/gastro-intestinal and Skin health categories. We create value by researching and manufacturing products that improve people's health and wellbeing 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

GSK Rolls-out the Asthma Nurses Programme in selected Secondary and Tertiary health facilities in Lagos, Nigeria.

In May 2018, GSK Nigeria launched an asthma health initiative as part of its efforts to improve asthma patient care through advanced healthcare interventions and knowledge empowerment in Nigeria. As part of this initiative, GSK organized a patient advisory board, the first of its kind in Africa to create a two-way conversation enabling patients to share their

Corporate Responsibility Report

challenges and concerns about the disease and its management.

Through this mechanism, the biggest learning patients communicated was insufficient information available on how to manage the disease. In response, GSK Nigeria set-up an Asthma Nurses Committee (Intervention Program) that would partner with six (6) hospitals within the Lagos state vicinity consisting of five (5) General Hospitals and the Lagos University Teaching Hospital (LUTH).

These nurses within this program are tasked with giving additional support to healthcare workers on educating patients with Asthma on three fundamental areas towards managing the disease and improving patient outcomes: (1) improve knowledge of disease, (2) counsel on adherence to medicines, (3) teach appropriate use of asthma management devices.

By executing this initiative, GSK not only continues to lead the public health response to asthma control, but also enables asthma sufferers gain control over their lives.

Disease awareness on Cervical Cancer and Benign Prostate Hyperplasia at the State House Clinic, Aso Rock Villa Abuja.

In March 2018, GSK received a request from the State House Clinic in Aso Rock Villa, Abuja to commemorate World Kidney Day. As a leader in the healthcare space GSK was called on to provide high quality learning services to educate Healthcare Professionals about two major disease conditions.

This role of this forum was especially critical because kidney failure is one of the deadliest disease responsible for high mortality rates among Nigerians with an estimated 17,000 new cases of kidney failure are diagnosed annually, and only 2,000 of those cases having access to life saving dialysis. It has also been reported that one-in-four men older than 40 years in Nigeria have symptoms suggestive of BPH.

GSK in-house Doctor, Temitayo Olowookere gave an in-depth awareness talk on the diagnoses of both conditions and shared information on the management and prevention these diseases to help build awareness and shared information on how to reduce the occurrence of both conditions and alleviate their related health problems.

Our Behaviour

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 recognize 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 same standards from 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 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.

Our People

We aim to achieve industry-leading growth by investing effectively in our business, developing our people and delivering flawlessly. We recognize that our people are critical to achieving this leading growth. In that light, we continue to provide avenues for creative originality to enable the expression of values and passions so that our people can have a greater sense of identity with the business they work for, inspiring them to develop new and better ways to carry out their responsibilities. Some of the avenues are listed below:

GSK Women's Leadership Initiative (WLI) Launch

Consistent with GSK Nigeria's position as a modern employer that supports the diversity and inclusion, we celebrated and recognized women this year within the organisation whose contributions continue to help foster growth and balance. At GSK, maintaining balance is viewed as essential for economies, businesses and communities to thrive; recognizing that 'Balance' is not a women's issue, but a business issue. The race is on for the gender-balanced boardroom, a gender-balanced government, gender-balanced media coverage, a gender-balance of employees, more gender-balance in wealth, gender-balanced sports coverage.

The WLI global vision is to develop, promote and retain women by honing on 3 strategic focuses: growth, development, engagement, inclusion and diversity. The GSK Nigeria WLI chapter was launched in October 2017 and has grown to become the largest employee resource group in GSK with over 4000 members globally.

Corporate Responsibility Report

Child Sponsorship
In September 2018, GSK for the 15th year in a row since 2004, sponsored the SOS Children's Villages in Isolo, Lagos and Owu-Ijebu, Ogun state with over N4,088 m to provide education and upkeep.

Employee Volunteering
At GSK, volunteering is a great way to demonstrate and live our values outside of the organization. In line with GSK's values to do more, feel better, live longer, our employees embarked on our annual signature Orange Day volunteer program. This service day is an employee benefit that gives our employees one paid day off each year to volunteer with their chosen local community project thereby impacting the local communities we operate and live in.

This year's project was themed, Project Smile and it was a *100%* employee-led combination of various Health and Wellbeing intervention and, STEM (Science, Technology, Engineering and Mathematics) training programs. This initiative was the largest ever volunteer project in GSK Nigeria to date, with *125 staff* volunteers in *5 geographical locations* (approx.*12 districts*) volunteering over *1250 hours* at various elementary and secondary schools, orphanages, as well as an elderly nursing home. Our staff made a significant impact serving *2262 Children* and *26 elders* while engaging them through various health and hygiene awareness trainings as well as STEM (Science, Technology, Engineering and Mathematics) mentoring and achieving over *90% employee engagement.*

Pulse
Employee volunteering is important to us. We encourage GSK employees to contribute to their local communities and we offer support when doing this. However, employee volunteering isn't purely about giving to others. It helps GSK employees to gain new experiences and skills, often creating a deeper understanding for patient needs. Employees often come back with a different world view and serve as change agents in GSK.

Through Pulse, our staff are able to gain increasing capabilities through coaching, mentoring or training by contributing expertise to our non-profit partners. *91%* of our non-profit partners are satisfied with the PULSE programme while *83%* say that their organisation is doing something differently as a result of PULSE - even 6 months after the GSK volunteer has left.

Since GSK launched PULSE- a skill-based volunteering initiative in 2009, *770 employees* have volunteered with *127 NGOs* to help solve healthcare challenges with *£27million worth of skilled services donated to non-profits through PULSE*. This initiative sets GSK apart by actively encouraging employees to concentrate all of their volunteering efforts throughout, fostering the spirit of volunteering and giving back across the company and bringing people together for the greater good. The theme 'Be the Change' led employees to volunteer their time to *137 Orange Days* in *20 countries*, a combined *80,448 hours* of service given to their local communities.

PULSE volunteers are enablers of a 3-fold change process:
change communities, change employees and change GSK

To date, employees of GSK Nigeria have volunteered for various programmes along with other GSK employees from Kenya, US, Taiwan and the UK who have been placed on assignment to impact Nigeria through the Clinton Health Access Initiative in Abuja. Pulse creates an opportunity annually where up to 100 employees are matched with an NGO for 3 or 6 months full-time. Through PULSE, our employees get a unique chance to step out of GSK to develop themselves as they go through this transformational journey and bring back fresh insights and ideas to GSK. In return, our NGO partners benefit from expertise of GSK employees to support their most pressing needs.

Project Plus
The Project Plus initiative which launched in 2008 as a means of building capability with patent medicine dealers and sellers has reached *75,000 Patent Medicine Sellers (PMS)* since *2013*. The objective is to provide Patent Medicine Dealers (PMDs) with basic business skills, educate them on the management of pain and fever, indigestion and constipation, oral health and sensitivity and allergic rhinitis and to help them better understand the benefits of GSK brands.

This GSK initiative implemented in conjunction with the Pharmacists Council of Nigeria (PCN) is aimed at combating counterfeiting which poses a major public health risk. The goal is to ensure that Nigerians at the grassroots are aware of the associated risk of this illegal practice and have access to genuine drugs.

Corporate Governance Report

GlaxoSmithKline Consumer Nigeria PLC operates on high ethical standards and we are committed to engaging effectively and communicating with our stakeholders and the wider society through compliance and sound governance. With good corporate 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 (FRCN), GSK Policies 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 effectively managed and achieves its strategic objectives as agreed by the Board and mandated by 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 eight directors. As at date, the Board comprises of 7 directors, 5 of which are Non-Executive Directors and 2 Executive Directors, including the Managing Director and the Finance Director.

   The Board is headed by a Non-Executive Chairman who provides leadership. The other 4 Non-executive directors are Independent.

2. **The Board Appointment Process**

   The process for the appointment of new directors is as follows: Appointees are identified and short-listed by the Governance & 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.
   - 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 C. Onuzo	Chairman
Mr. Bhushan Akshikar (Indian)	Managing Director
Mr. Samuel Kuye	Independent Non-Executive Director
Mr. Tunde Lemo OFR	Independent Non-Executive Director
Mrs. Lubabatu Bello	Independent Non-Executive Director
Mr. Kareem Hamdy (Egyptian)	Executive Director, Finance
Mr. Basel Nizameddin (Syrian)	Non-Executive Director (appointed wef 23 May 2018)
Ms. Debra Mallowah (Kenyan)	Non-Executive Director (appointed wef 23 May 2018 and resigned wef 28 December 2018)

Corporate Governance Report

5. Record of Directors' Attendance

The Board held a total of 5 (Five) meetings during the year, four of which were duly scheduled with one 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 2018 is available for inspection at the Annual General Meeting. Membership and attendance of Board meetings are set out below:

Name	12/02/18	08/03/18	23/05/18	14/08/18	30/10/18
Mr. Edmund C. Onuzo	✓	✓	✓	✓	✓
Mr. Bhushan Akshikar (Indian)	✓	✓	X	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓	✓
Mr. Tunde Lemo OFR	✓	✓	✓	✓	✓
Mrs. Lubabatu Bello	X	✓	✓	✓	✓
Mr. Kareem Hamdy (Egyptian)	✓	✓	✓	✓	✓
Mr. Basel Nizameddin (Syrian)	NYM	NYM	X	✓	✓
Ms. Debra Mallowah (Kenyan)	NYM	NYM	X	✓	✓

KEYS: ✓ = present X = absent with apology AAD = Attended by alternate director CM = Ceased to be a Member 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 Mr. Uche Uwechia Esq.

7. Committees of the Board

a. Governance 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 three times during the year. The table below shows the members who served on the committee in 2018 and their attendance at the meetings.

Directors	07/03/18	23/05/18	15/10/18
Mr. Edmund C. Onuzo	✓	✓	✓
Mr. Tunde Lemo OFR	✓	✓	✓
Mr. Basel Nizameddin	NYM	NYM	✓

KEYS: ✓ = present X = absent with apology CM = Ceased to be a Member NYM= Not yet a member

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 Cap C20 LFN 2004, 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 48th Annual General Meeting. The meetings of the Committee were held four times during the period under review (January - October 2018).

Corporate Governance Report

Directors	25/01/18	08/03/18	26/07/18	30/10/18
Mr. K.A. Taiwo, FCA	✓	✓	✓	✓
Chief. S.O. Ogunnowo	✓	✓	✓	✓
Mr. Y. T. Mosuro	✓	✓	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓
Mr. Tunde Lemo, OFR	X	✓	X	✓
Mr. Bhushan Akshikar	X	✓	CM	CM
Ms. Debra Mallowah	NYM	NYM	NYM	✓

KEYS: ✓ = present X = absent with apology CM = Ceased to be a Member NYM= Not yet a member

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, Cap C20 LFN 2004 and clause 30 of the Code.

c. Risk Management 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 thrice during the year. Two were duly scheduled with one adjourned. The table below shows the members who served on the committee in 2018 and their attendance at the meeting.

Directors	07/03/18	15/10/18	29/11/18
Mr. Samuel Kuye	✓	✓	✓
Mr. Tunde Lemo, OFR	✓	✓	✓
Mr. Lubabatu Bello	✓	X	✓
Mr. Basel Nizameddin	NYM	✓	✓
Ms. Debra Mallowah	NYM	✓	X

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

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 4 (Four) times during the year. The table below shows the members who served on the committee in 2018 and their attendance at the meetings.

Directors	05/03/18	25/04/18	26/07/18	24/10/18
Mr. Edmund Onuzo	✓	✓	✓	✓
Mr. Samuel Kuye	✓	✓	X	✓
Mr. Tunde Lemo, OFR	X	X	X	CM
Mr. Kareem Hamdy	✓	✓	✓	✓
Mr. Bhushan Akshikar	NYM	✓	✓	✓

KEYS: ✓ = present X = absent with apology CM = Ceased to be a Member NYM= Not yet a member

e. Administrative Committee

The Committee consists of the Managing Director, Mr. Bhushan Akshikar and the Finance Director, Mr. Kareem Hamdy. 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.

Corporate Governance Report

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**
   In 2018, GSK carried out an internal Board evaluation. In 2019, GSK had engaged the services of an external consultant, DCSL Corporate Services Limited, to carry out an external Board evaluation.

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, Cap C20 LFN 2004, as well as Article 91 of the company's Articles of Association are Mr. Tunde Lemo (OFR) and Mrs. Lubabatu Bello, who, being eligible, offer themselves for re-election. Details of their biographical details are contained in Page 13 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 14 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 Emma Walmsley, the global CEO of GSK, "there is no greater priority for GSK than the ethical conduct of its people. GSK exists 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

Corporate Governance Report

- 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

GlaxoSmithKline Consumer Nigeria PLC has 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. Remuneration Policy

The Company has a Remuneration Policy in place in accordance with the requirements of the Securities and Exchange Commission. The remuneration and benefits paid to the directors of GlaxoSmithKline Consumer Nigeria PLC are fully disclosed in Note 27.2 to the Financial Statements in the Annual Report.

18. 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 by Public Companies
- Submission of Quarterly Un-audited trading Results
- Submission of Full Year Audited Statement of Accounts

NSE:

- Interim Financial Reporting
- Submission of Quarterly Un-audited trading Results
- Submission of Full Year Audited Statement of Accounts

19. 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.

20. Unclaimed Dividend Fund

Total unclaimed dividend fund in the Company stood at 1,545,700,825.44. as at 31st December 2018. 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 2018 Annual Report
- A form for e-allotment was included in the 2008-2012, 2014 - 2016, 2017-2018 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 2018 Annual reports.
- Our Registrars Greenwich Registrars and Data Solutions (formerly GTL 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 2019 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.

Uchenna Uwechia
Company Secretary
FRC/2013/NBA/00000001970
GlaxoSmithKline Consumer Nigeria PLC
GSK Nigeria House, 1, Industrial Avenue, Ilupeju, P.M.B. 21218, Ikeja, Lagos.
7th March, 2019

Information in Respect of General Mandate

The aggregate value of all transactions entered into with related parties during the financial year as stated on pages 65 to 66 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 general mandate.

Financial Statements

Directors' Report

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 31st December 2018 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 and Sensodyne and a range of internationally acclaimed pharmaceuticals, including Ampiclox, Amoxil and Augmentin (antibiotics), Zentel (the anthelmintic), Colart, and vaccines.

2 Operating results

The following is a summary of the group operating results from continuing operations:

In Thousands of Naira	Group		Company	
	2018	2017	2018	2017
Revenue	18,411,475	16,089,728	18,411,475	16,089,728
Profit for the year before taxation	1,160,154	1,124,269	1,160,823	1,123,136
Taxation	(542,530)	(637,836)	(542,435)	(637,836)
Profit for the year attributable to owners of the parent	617,624	486,433	618,389	485,300
Taxation	8,183,448	16,522,753	8,001,857	16,330,883

3 Dividend

Your Board is pleased to recommend to members a dividend of N0.50k to be paid for the year to shareholders, representing 50k per ordinary share (composed of 36k from retained pioneer profit and 14k from after tax profit for the year ended 31 Dec 2018) subject to the approval of shareholders. The dividend will be payable on 24th May 2019. 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 C. Onuzo	Chairman
Mr. Bhushan Akshikar (Indian)	Managing Director
Mr. Samuel Kuye	Non-Executive Director
Mr. Tunde Lemo (OFR)	Non-Executive Director
Mrs. Lubabatu Bello	Non-Executive Director
Mr. Kareem Hamdy (Egyptian)	Finance Director
Mr. Basel Nizameddin (Syrian)	Non-Executive Director (Appointed with effect from 23rd May 2018)
Ms. Debra Mallowah (Kenyan)	Non-Executive Director (Appointed with effect from 23rd May 2018 and resigned with effect from 28th December 2018)

5 Board changes

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

Mr. Basel Nizameddin and Ms Debra Mallowah were appointed Non-Executive Directors of the Company on the 23rd May 2018 respectively. However, Ms Debra Mallowah resigned her appointment from the Board with effect from 28th December 2018 to pursue other interests.

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 the appointment of Mr. Basel Nizameddin as a Non-Executive Director.

Directors' Report

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. Tunde Lemo and Mrs Lubabatu Bello, who, being eligible, offer themselves for re-election. Their Biographical details and record of attendance to meetings are contained on pages 13, 19 and 20 of the Annual Report.

7 Directors' interest in share capital

The directors' interests in the Company's ordinary shares as at 31 December 2018 were as follows:

Name	Direct Holding			Indirect Holding		
	31/12/2018	31/12/2017	07/03/2019	31/12/2018	31/12/2017	07/03/2019
Mr. Edmund C. Onuzo	113210	113210	113210	11170	11170	11170
Mr. Bhushan Akshikar	-	-	-	-	-	-
Mr. Samuel Kuye	923	923	923	93750	93750	93750
Mr. Tunde Lemo	100000	100000	100000	-	-	-
Mrs. Lubabatu Bello	-	-	-	-	-	-
Mr. Kareem Hamdy	-	-	-	-	-	-
Mr. Basel Nizameddin	-	-	-	-	-	-
Ms. Debra Mallowah	-	-	-	-	-	-

8 Beneficial ownership

None of the directors has any beneficial interest in shares of the company except as stated in paragraph 7 above. Mr. Edmund C. Onuzo is a joint beneficial owner of the 11,170 ordinary shares held by Edmund and Charity Onuzo while Mr. Samuel Kuye is a joint beneficial owner of the 93,750 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 2018.

10 Value of assets

Particulars of the changes arising from additions and disposal of fixed assets during the year are contained in Note 13 to the financial statements. Details of the other assets of the company as at 31 December 2018 are given in Notes 14-18 to the financial statements.

11 Analysis of shareholding and free float

The issued and fully paid-up share capital of the company is N597, 938,244 divided into 1,195,876,488 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 2018.

Range	Number of shareholders	Holders %	Number of holdings	% shareholding
1-1000	9,866	36.09	4,015,232	0.34
1,001-5,000	10,397	38.03	26,019,737	2.18
5,001- 10,000	3,211	11.75	21,849,001	1.83
10,001- 50,000	3,101	11.34	62,500,897	5.23
50,001 – 100,000	359	1.31	24,586,119	2.06
100,001 – 500,000	294	1.08	57,256,838	4.79
500,001 – 1,000,000	47	0.17	33,854,515	2.83

Directors' Report

Range	Number of shareholders	Holders %	Number of holdings	% shareholding
1,000,001 – Above	62	0.23	965,794,149	80.76
Total	**27,337**	100.00	**1,195,876,488**	100.00

Free Float

The Company maintained a free float of more than 30% of its issued and paid up share capital.

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 2018:

Shareholder	Number of shares held	% Holding
Setfirst Limited	326,593,793	27.31
Smithkline Beecham Limited	228,488,132	19.11
Stanbic Nominees Limited	191,680,313	16.03

13 Unclaimed dividends

The unclaimed dividend in the books of the company as at 31 December 2018 was N1,545,700,825.44. They were in respect of Payments 31 to 42 of the shareholders of GlaxoSmithKline Consumer Nigeria PLC and its legacy companies. The Company continues to take steps in conjunction with the Registrars, to ensure the Shareholders receive their dividend. A list of Unclaimed Dividend is attached to this Annual Report.

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 N4.088 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, Legal 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 2018, the Company paid very close attention to the differentiated development plan of its workforce which was tied to its articulated 4-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.

Directors' Report

The Company's code of conduct for employees is based on the company's core values of Transparency, Respect for others, Integrity and Patient Focus. Above all, the conduct of every employee is 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.

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.

16 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.

17 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, Asthma, Lassa Fever, malaria, cancer and other serious diseases through health talks, health assessments and information sharing.

18 Major distributors

The Company's products are distributed through Key distributors who cover the entire country.

19 Suppliers

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

20 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.

21 Acquisition of own shares

The Company did not purchase its own shares during the year.

22 Independent auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act, Messrs. Deloitte & Touche 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.

By Order of the Board

Uche Uwechia, Esq.
Company Secretary
FRC/2013/NBA/00000001970
7th March 2019

Registered office: GlaxoSmithKline Consumer Nigeria plc
GSK House, 1 Industrial Avenue, Ilupeju, Lagos.

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 2018, and the results of its operations, cash flows and changes in equity for the year 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:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- Designing implementing and maintaining an effective and sound system of internal controls throughout the Group and Company.
- Maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclosure with reasonable accuracy at any time, the financial positions of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company with IFRS;
- Maintaining statutory accounting records in compliance with the legislations of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group and Company: and
- 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 2018 were approved by the directors on 7th March 2019

On behalf of the Directors of the Group.

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

Mr. Bhushan Akshikar
Managing Director
FRC/2018/IODN/00000018755

Independent Auditors' Report

Report on the Audit of the Consolidated and Separate Financial Statement

Deloitte.

To the Shareholders of GlaxoSmithKline Consumer Nigeria Plc

Opinion

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 statements of financial position as at 31 December 2018, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended and the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **GlaxoSmithKline Consumer Nigeria Plc** as at 31 December 2018 and the consolidated and separate financial performance and statement of 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Trade Receivables Impairment using the Expected Credit Loss Model (First time adoption of IFRS 9)	
GlaxoSmithKline Consumer Nigeria Plc implemented IFRS 9 "Financial Instruments" for the first time on 1 January 2018. IFRS 9 requires the company to recognise impairment using the Expected Credit Loss (ECL) model. This is disclosed in Note 2.1 of the financial statements.	A substantive approach was adopted in the audit of impairment of trade receivables; which involved: 1. Updating our understanding of the company's procedures put in place by the management to identify impaired trade receivables.
Using the simplified approach of the expected credit loss model, the Company analysed historical data by risk groups to capture defaults, migration to defaults, collections, cure etc. for a statistically reasonable number of years	2. Reviewing and challenging the judgments and decisions made by management in estimating the expected credit loss to identify whether indicators of possible management bias exist. Also checking to ensure that the criteria for the application of the simplified impairment approach had clearly been made by the entity
Based on the assumptions and consideration of economic conditions experienced in Nigeria, which management has factored into the impairment computation, the audit of the trade receivables impairment is considered a key audit matter.	3. Re-computation to test the application of the model, by developing an independent model (a model for which we understand and have assessed its mathematical integrity) to estimate the expected credit loss using management's data. In developing our model, we performed the following procedures:

Independent Auditors' Report

Report on the Audit of the Consolidated and Separate Financial Statement

- Determining the appropriate groupings of receivables based on the shared credit risk characteristics and determined the period over which observed historical loss rates were appropriate
  - Determining the historical loss rates for the receivables, which was divided into past-due categories by identifying the total credit sales made and the total credit losses suffered on those sales.
  - Considering forward looking macro-economic factors and adjusting the historical loss rates to reflect relevant future economic conditions.
  - Calculating the expected credit losses by multiplying the current gross receivable balance by the loss rate.
  - Comparing our results with Management's estimate in order to assess whether there was any indication of error or management bias.

4. Performing a comparison of the effect and impact of IAS 39 with the new IFRS 9 on the day 1 adjustments in order to assess the impact to the retained earnings based on the retrospective application of the standard as required by IFRS 9.

Appropriate adjustments have been booked in the financial statement.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Audit Committee's Report, which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report

Report on the Audit of the Consolidated and Separate Financial Statement

Auditors' Responsibilities for the Audit of Financial Statements

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

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

We also:

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

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

We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

Onwu Ijeoma, FCA - FRC/2013/ICAN/00000001364
For: Deloitte & Touche Chartered Accountants
Lagos, Nigeria.
28 March, 2019

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 Act (Cap C20) Laws of the Federation of Nigeria 2004 we confirm that we have examined the Auditors' Report for the year ended 31st December 2018.

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 Letter 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/2013/1CAN/00000002890
Lagos, Nigeria

Dated this 7th day of March 2019

Members of the Audit Committee and the Company Secretary

Mr. K. A. Taiwo
(Chairman)

Mr. S. O. Kuye

Mr. Tunde Lemo, OFR

Chief S.O. Ogunnowo

Mr. Y.T. Mosuro

Mr. Uche Uwechia, Esq.
(Company Secretary)

Consolidated and Separate
Statement of Profit or loss and other Comprehensive Income

In Thousands of Naira	Notes	Group 2018	Group 2017	Company 2018	Company 2017
Continuing Operations					
Revenue	5	18,411,475	16,089,728	18,411,475	16,089,728
Cost of sales	6(A)	(11,654,697)	(11,610,160)	(11,654,697)	(11,610,160)
Gross profit		6,756,778	4,479,568	6,756,778	4,479,568
Investment income	7	380,537	1,195,632	379,410	1,194,372
Other losses	8	(634,314)	(34,257)	(634,314)	(34,257)
Selling and distribution costs	6(B)	(3,096,566)	(2,730,190)	(3,096,566)	(2,730,190)
Administrative expenses	6(B)	(2,246,281)	(1,786,484)	(2,244,484)	(1,786,357)
Profit before tax		1,160,154	1,124,269	1,160,824	1,123,136
Income tax expense	11.3	(542,530)	(637,836)	(542,435)	(637,836)
Profit after tax for the year from continuing operations		**617,624**	**486,433**	**618,389**	**485,300**
Other comprehensive income net of income tax:					
Items that will not be reclassified to profit or loss:					
Income tax effect	11	-	-		-
Other comprehensive income for the year, net of tax			-		-
Total comprehensive income for the year, net of tax		**617,624**	**486,433**	**618,389**	**485,300**
Profit for the year attributable to:					
Shareholders of the Company		617,624	486,433	618,389	485,300
Non-controlling interest		-	-		-
		617,624	486,433	618,389	485,300
Total comprehensive income for the year attributable to:					
Shareholders of the Company		617,624	486,433	618,389	485,300
Non-controlling interest			-		-
Basic and diluted earnings per share (Kobo)		617,624	486,433	618,389	485,300
From continuing operations	12	52	41	52	41
From continuing and discontinuing operations	12	52	41	52	41

The accompanying notes and other national disclosures form an integral part of these consolidated and separate financial statements

Consolidated and Separate Statement of Financial Position

As at 31 December 2018

		Group		Company	
In Thousands of Naira	Notes	2018	2017	2018	2017
Assets					
Non-current assets					
Property, plant and equipment	13	2,358,860	2,311,992	2,358,860	2,311,992
Investment in subsidiary	14	-		160	160
Other assets	17	2,883	2,928	2,883	2,928
		2,361,743	2,314,920	2,361,903	2,315,080
Current assets					
Inventories	15	3,938,707	3,368,426	3,938,707	3,368,426
Right of return of asset	21.2	30,738	-	30,738	-
Trade and other receivables	16	5,740,325	6,811,164	5,740,325	6,811,164
Other assets	17	97,731	691,020	97,731	691,020
Cash and bank balances	18	3,388,944	13,309,649	3,388,944	13,100,501
Assets classified as asset held for sale	13.4	141,868	-	141,868	-
		13,338,313	24,180,259	13,338,313	23,971,111
Total assets		**15,700,056**	**26,495,179**	**15,700,216**	**26,286,191**
Equity and liabilities					
Equity					
Issued share capital	19.1	597,939	597,939	597,939	597,939
Share premium	19.2	51,395	51,395	51,395	51,395
Retained earnings		8,183,448	16,522,753	8,001,857	16,330,883
Total equity		8,832,782	17,172,087	8,651,191	16,980,217
Non-current liabilities					
Deferred tax liability	11.4	107,085	-	107,085	-
Total non-current liabilities		107,085	-	107,085	-
Current liabilities					
Trade and other payables	21	6,244,359	9,129,187	6,434,732	9,120,596
Contract liabilities	21.1	225,000	116,878	225,000	116,878
Refund liabilities	21.2	58,475	-	58,475	-
Income tax payable	11.3	232,355	77,027	223,733	68,500
Total current liabilities		6,760,189	9,323,092	941,940	9,305,974
Total liabilities		6,867,274	9,323,092	7,049,025	9,305,974
Total equity and liabilities		**15,700,056**	**26,495,179**	**15,700,216**	**26,286,191**

The consolidated and separate financial statements on pages 34 to 72 were approved and authorised for issue by the Board of Directors on 7 March 2019 and signed on its behalf by:

Mr. Edmund C. Onuzo Chairman FRC/2015/IODN/00000011038	**Mr. Bhushan Akshikar** Managing Director FRC/2018/IODN/00000018755	**Mr. Olukunle Adewusi** Head, Corporate Reporting FRC/2018/ICAN/00000018754

The accompanying notes and other national disclosures form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity

As at 31 December 2018

In Thousands of Naira	Share Capital	Share Premium	Retained Earnings	Total
Group				
At 1 January 2017	597,939	51,395	16,395,081	17,044,415
Profit for the year	-	-	486,433	486,433
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	486,433	486,433
Payment of dividend	-	-	(358,761)	(358,761)
At 31 December 2017	**597,939**	**51,395**	**16,522,753**	**17,172,087**
Adjustment on initial application of IFRS 9, net of tax			43,170	43,170
Adjustment on initial application of IFRS 15, net of tax			(21,512)	(21,512)
	597,939	**51,395**	**16,544,411**	**17,193,745**
Profit for the year	-	-	617,624	617,624
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	617,624	617,624
Payment of dividend	-	-	(8,969,073)	(8,969,073)
Adjustment to subsidiary company ***	-	-	(9,514)	(9,514)
At 31 December 2018	**597,939**	**51,395**	**8,183,448**	**8,832,782**

*** Adjustment to subsidiary company represents net post audit adjustment to Winster Pharmaceutical after the conclusion of the Group's consolidated account

In Thousands of Naira	Share Capital	Share Premium	Retained Earnings	Total
Company				
At 1 January 2017	597,939	51,395	16,204,344	16,853,678
Profit for the year	-	-	485,300	485,300
Other comprehensive income	-	-		
Total comprehensive income	-	-	485,300	485,300
Payment of dividend	-	-	(358,761)	(358,761)
At 31 December 2017	**597,939**	**51,395**	**16,330,883**	**16,980,217**
Adjustment on initial application of IFRS 9, net of tax			43,170	43,170
Adjustment on initial application of IFRS 15, net of tax			(21,512)	(21,512)
	597,939	51,395	16,352,541	17,001,875
Profit for the year	-	-	618,389	618,389
Other comprehensive income	-	-		
Total comprehensive income	-	-	618,389	618,389
Payment of dividend	-	-	(8,969,073)	(8,969,073)
At 31 December 2018	**597,939**	**51,395**	**8,001,857**	**8,651,191**

Consolidated and Separate Statement of Cash Flows
As at 31 December 2018

		Group		Company	
In Thousands of Naira	Notes	2018	2017	2018	2017
Cash flows from operating activities					
Profit for the year		617,624	486,433	618,389	485,300
Adjustment for:					
Income tax expense recognised in profit or loss		542,530	637,836	542,435	637,836
Depreciation of property, plant and equipment	13	377,724	357,628	377,724	357,628
Gain on disposal of property, plant and equipment	8	(5,716)	(119,475)	(5,716)	(119,475)
Interest on term deposits	7	(380,537)	(1,195,632)	(379,410)	(1,194,372)
Unrealised exchange gain on operating activity	8	412,026	386,571	412,026	386,571
Net impairment of trade and other receivables		(14,723)	189,088	(14,723)	189,088
Working capital adjustments:					
(Increase)/decrease in inventories		(570,281)	1,072,408	(570,281)	1,072,408
Decrease/(increase) in trade receivables		1,149,047	(1,625,542)	1,149,047	(1,625,542)
Decrease/(increase) in prepayments		593,334	(286,444)	593,334	(286,444)
Increase in contract liabilities		108,122	116,878	108,122	116,878
Increase in right of return of assets		(12,686)	-	(12,686)	-
Increase in refund liabilities		24,126	-	24,126	-
Decrease in trade and other payables		(3,157,354)	(280,684)	(2,948,876)	(286,467)
		(316,764)	(260,935)	(106,489)	(266,591)
Defined benefit obligation paid					
Income tax paid	11.3	(305,647)	(1,889,479)	(305,647)	(1,883,701)
Net cash used in operating activities		(622,411)	(2,150,414)	(412,136)	(2,150,292)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		36,385	222,245	36,385	222,245
Interest received	7	380,537	1,195,632	379,410	1,194,372
Purchase of property, plant and equipment	13	(597,129)	(674,519)	(597,129)	(674,519)
Net cash flows (used in)/generated by investing activities		(180,207)	743,358	(181,334)	742,098
Cash flows from financing activities					
Dividend paid to shareholders of the Company	20	(8,969,074)	(358,761)	(8,969,074)	(358,761)
Net cash flows used in financing activities		(8,969,074)	(358,761)	(8,969,074)	(358,761)
Net increase in cash and cash equivalents		(9,771,692)	(1,765,817)	(9,562,544)	(1,766,955)
Cash and cash equivalents at 1 January		13,309,649	15,215,273	13,100,501	15,007,263
Exchange loss on cash and cash equivalents		(149,013)	(139,807)	(149,013)	(139,807)
Cash and cash equivalents at 31 December	18	**3,388,944**	**13,309,649**	**3,388,944**	**13,100,501**

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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 GlaxoSmithKline 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 company are manufacturing, marketing and distribution of consumer healthcare and pharmaceutical products.

The consolidated financial statements of the Group for the year ended 31 December 2018 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 2018 comprise those of the Company only.

These consolidated and separate financial statements for the year ended 31 December 2018 have been approved for issue by the directors on 7th March, 2019.

2.0 Application of new and revised International Financial Reporting Standard (IFRS)

The following standards issued by the International Accounting Standards Board (IASB) have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2018.

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 the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January 2018.

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1st January 2018. The transition provision of IFRS 9 allow an entity not to restate comparatives, thus the Group has elected not to restate comparative in respect of the classification and measurement of financial instruments.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities.
2. Impairment of financial assets, and
3. General hedge accounting

Details of these new requirement are described below:

The Group has applied IFRS 9 in accordance with the transition provision set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed the its existing financial assets and financial liabilities in terms of the requirement of IFRS 9) is 1 January 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instrument that continue to be recognised as at 1 January 2018 and has not applied the requirement to instruements that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of financial assets.
Specifically:

- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through the other comprehensive income (FVTOCI)
- All other debt instruments and equity investments are measured subsequently at fair value through the profit or loss (FVTPL)
- All other debt instruments and equity investments are measured subsequently at fair value through the profit or loss (FVTPL)

In current year, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

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When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or FVTOCI are subject to impairment.

(b) Impairment of financial assets

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 the Group to account for credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortised cost or FVTOCI
(2) Lease receivables;
(3) Trade receivables and contract assets; and
(4) Financial guarantee contract to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also required a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 is the classification and measurement of financial liabilities related to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 required that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be 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 financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

(d) General hedge accounting

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

The Group applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39. The difference arising from the adoption of IFRS 9 is hereby stated below:

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In Thousands of Naira	Reference	1 January 2018 Increase/(Decrease)
Assets		
Trade receivables	a	63,485
Total assets		63,485
Liabilities		
Deferred tax liability		20,315
Total liabilities		20,315
Total adjustments on equity		
Retained earnings	b	43,170
		43,170

	Reference	Allowance for Impairment under IAS 39 as at 31 December 2017	Remeasurement	ECL under IFRS 9 as at 1 January 2018
Trade and other Receivables	a	6,811,164	63,485	6,747,679

Nature of the adjustments:

(a) Impairment: The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The Group has not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities. Upon adoption of IFRS 9 the Group recognised a decrease in impairment on the Group's Trade and other receivables of N63.5 million, which resulted in an increase in Retained earnings of N43 million (net of tax) as at 1st January 2018.

Upon adoption of IFRS 9 the Group recognised a decrease in impairment on the Group's Trade and other receivables of N63.5 million, which resulted in an increase in Retained earnings of N84 million (net of tax) as at 1 January 2018.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Group has applied IFRS 15 Revenue from Contract with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements are described below.

The Group has applied IFRS 15 in accordance with the fully retrospective transition approach without using the practical expedients for completed contracts in IFRS 15(a), and (b), or for the modified contracts in IFRS 15:C5(c) but the remaining performance obligations, and an explanation of when it expects to recognise the amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018.

IFRS 15 uses the terms 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

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The Company adopted IFRS15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 January 2018.

The Group's accounting policies for its revenue streams are disclosed in detail in note 3 below. Apart from providing more extensive disclosures for the Group's revenue transactions, the application of IFRS 15 has not had significant impact on the financial position and/or financial performance of the Group except as stated below:

	Reference	Increase/(Decrease)
Assets		
Right of return of asset	a	18,052
Total assets		18,052
Liabilities		
Deferred tax liability		(5,215)
Trade and other payables	a,b	(118,388)
Refund Liabilities	a	(34,349)
Contract Liabilities	a,b	118,388
Total liabilities		(39,564)
Total adjustments on equity:		
Retained earnings		
		(21,512)

The nature of the adjustments as at 1 January 2018 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the statement of profit or loss for the year ended 31 December 2018 are described below:

(a) Sale of goods with variable consideration

- **Rights of return**
  Under IFRS15, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods that will be returned based on of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third party analyses, market research data and internally generated information. For goods expected to be returned, the Company presented are fund liability and an asset for the right to recover products from a customer separately in the statement of financial position. Upon adoption of IFRS15, the remeasurement resulted in Refund liabilities of N34million and Right of return assets N18 million as at 1 January 2018. And all these adjustments led to a decrease in retained earnings by N21 million (net of tax)

- **Trade incentives**
  Before adoption of IFRS15, the Group provides incentives to certain customers on the achievement of the performance criteria on the signed incentive guide. Unpaid portion of trade incentive as at the end of a financial year were accounted for as part of trade and other payable, however, upon adoption of IFRS 15 since trade incentives give rise to variable consideration, the Group reclassified the outstanding incentives initially included in trade and other payables of N118 million as at 1 January 2018 to contract liabilities. As at 31 December 2018, N215 million was reclassified from trade and other payables to contract liabilities in respect of unsettled incentives.

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(b) Advances received from customers:

Prior to the adoption of IFRS15, the Group presented advance payment by customer as part of trade and other payable in the statement of financial position and no interest was accrued on the advances received. Under IFRS15, the Group decided that contract liability should be recognised for amount received as advances from customer for which goods are yet to be transferred. Upon the adoption of IFRS15, the Company reclassified N10 million from trade and other payables (current) to Contract liabilities (current) as at 31 December 2018 in respect of advances received from Customers

IFRS2 (amendments) Classification and Measurements of Shared-based Payment Transactions.	The Group has adopted the amendments to IFRS 2 for the first time in the current year, The amendments clarify the following: 1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting conditions should follow the same approach as for equity-settled share-based payments. 2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligations to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement features', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the note settlements features. 3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: (i) the original liability is derecognised; (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.
IAS 40 (amendments) Transfers of Investment Property	The Group has adopted the amendments to IAS 40 Investment Property for the first time in the current year. The amendments clarify that a transfer to, or from, investments property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under constructions (i.e. change in use is not limited to completed properties).
Annual improvements to IFRS Standards 2014-2016 Cycles.	The Group has adopted the amendments to IAS 28 included in the Annual Improvements to IFRS Standards 2014-2016 Cycle for the first time in the current year. The amendments clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and the election should be made at initial recognition.
Amendments to IAS 28 Investments in Associated and Joint Ventures	In respect of the option for an entity that is not an investment entity(IE) to retain the fair value measurement applied by its associates and joint ventures that IEs when applying the equity

	method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue). The interpretation specifies that the date of transaction is the date on which the entity initially recognised the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.2 New and revised IFRSs Standards in issue but not yet effective

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

IFRS 16	Leases
IFRS 17	Insurance Contracts
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to IFRS Standards 2015-2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs
Amendments to IAS 19 Employee Benefits	Plan Amendments, Curtailment or Settlement
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures
IFRIC 23	Uncertainty over Income Tax Treatments

IFRS 16 Leases

General Impact of application of IFRS 16 Leases

IFRS 16 provides comprehensive model for the identification of lease arrangements and their treatments in the financial statements for both lessors and lessees. IFRS 16 'Leases' is required to be implemented by the Group from 1 January 2019. The new standard will replace IAS 17 'Leases' and will require lease liabilities and "right of use" assets to be recognised on the balance sheet for almost all leases. This will result in a significant increase in both assets and liabilities recognised on the balance sheet. The costs of operating leases currently included within operating costs will be split and the financing element of the charge will be reported within finance expense. The Group is assessing the potential impact of the new standard and do not believe that its impact will be material.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment features meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual period beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact in the Group's consolidated financial statements.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

The amendment clarifies that IFRS 9, including its impairment requirements, applies to long-terms interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustment of impairment in accordance with IAS 28).

The amendments apply retrospectively to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. Specific transition provision apply depending on whether the first-time application of the amendments coincides with that of IFRS 9.
The directors of the Group do not anticipate that the application of the amendments in the future will have an impact in the Group's consolidated financial statements.

Annual Improvements to IFRS Standard 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangement, IAS 12 Income Taxes and IAS 23 Borrowing Cost

The Annual Improvements include amendments to four Standards.

IAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rate apply to distributed and undistributed profits.

IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended us or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowing.

IFRS 3 Business Combinations

The amendments to IFRS 3 clarify that when an entity obtains controls of a business that is a joint operation, the entity applies the requirements for business combination achieved in stages, including remeasuring its previously held interest (PH) to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operations.

IFRS 11 Joint Arrangements

The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally required prospective application. Earlier application is permitted

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact of the Group's consolidated financial statements.

Amendments to IAS 19 Employee Benefits Plan Amendments, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment of settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income

The amendments are applied prospectively. They apply only to plan amendments, curtailment or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied. The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact in the Group's consolidated financial statements.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale of Contribution of Assets between and Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale of contribution of assets between an investor and its associate or joint

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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 associated or 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 associates or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become 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 associated or joint venture.

The effective date of amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

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

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to:

- Determine whether uncertain tax positions are assessed separately or as group; and
- Assess whether it is probable that tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the entity should determine its accounting tax position consistently with the tax treatments used or planned to be used in its income tax filings.
  - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The interpretation is effective for annual periods beginning on or after 1 January 2019. Entity can apply interpretation with either full retrospective application or modified retrospective application without restatement of comparative retrospectively or prospectively.

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact in the Group's consolidated financial statements.

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 the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) that are effective at 31 December, 2018 and the 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 2018.

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

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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 and separate 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 by applying a five-step approach:
- Identify the contract
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when (or as) each performance obligation is satisfied

3.7.1 Identify the contract

Any agreement that creates enforceable rights and obligations is a contract. This covers revenue arising from contracts for:

(a) Sale of the Groups products to retail customers, wholesalers or distributors;
(b) Sale of products under contract manufacturing agreements;
(c) Licences of GSK intellectual property;
(d) Divestments of PP&E and intangible assets.

It does not cover revenue arising on sales of businesses or from collaboration agreements.

3.7.2 Identify the separate performance obligations in the contract

Performance obligations are the explicit or implicit promises made to the customer or licensee in a contract. In a multi-element arrangement, it is necessary to determine if the promises made are distinct from each other or should be accounted for together as a bundle.

3.7.3 Determine the transaction price

The transaction price is the amount of consideration that GSK is entitled to for the transfer of goods or services.

The price may include variable consideration where either
- Uncollected revenue is contingent on future events occurring, such as meeting a sales milestone; or
- GSK's ability to retain revenue already invoiced or collected is contingent on future events not occurring, such as retrospective rebates being awarded by GSK or products being returned by the customer.

Variable consideration is estimated and recognised as revenue when it is highly probable that a significant reversal of the cumulative revenue recognised will not occur in future periods.

3.7.4 Allocate the transaction price to separate performance obligations

The total consideration in a contract is divided between each of the distinct performance obligations in that contract on the basis of the standalone selling price of each.

3.7.5 Recognise revenue when (or as) each performance obligation is satisfied

Revenue is recognised in the Income Statement when or as GSK fulfils its performance obligations. In the case of sale of products or divestment of other assets, this is when control of the products or assets has been transferred to the customer or buyer. In the case of services, the obligation is satisfied over the period of provision of the services.

Dividend

Dividends are recognised when the Group's right to receive payment has been established, i.e. when the paying entity is irrevocably committed to paying the dividend which may be only on payment date or on approval by the shareholders of the dividend-paying entity

Rental and Interest Income

Rental and interest income are recognised when the Group's right to receive payment has been established, i.e. when the paying entity is irrevocably committed to paying the rental or interest income

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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 recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases, all other leases are classified as finance leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

3.12 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity interest of another entity.

3.12.1 Financial asset

A financial asset is any asset that is:

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

3.12.2 Financial liability

A financial liability is any liability that is:

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

3.12.3 Amortised cost

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

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

3.12.4 Effective interest method

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

3.12.4 Expected credit loss (ECL)

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

3.12.5 Expected credit loss allowance

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

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

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

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

(a) The simplified impairment approach

The simplified approach applied to trade receivables requires the recognition of lifetime ECLs at all times. GSK entities use a provision matrix as a practical expedient for determining ECLs on trade receivables, including non-overdue balances. The provision matrix should incorporate forward-looking information into historical customer default rates and, where appropriate, group receivables into customer segments that have similar loss patterns, such as public (government) and private customers

(b) The general impairment approach

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

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

Indicators of a significant increase in credit risk include:

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

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

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(c) Credit-impaired assets

Under both approaches, when the asset becomes credit impaired due to the occurrence of a 'loss event' additional expected credit loss should be recognised. Loss events may include:

- Significant financial difficulty of the customer;
- It becoming probable that the customer will enter bankruptcy or other financial reorganisation;
- A breach of contract such as default or past due event;

If the credit-impaired asset is interest-bearing, interest should be calculated on the net asset balance, i.e. the gross amount adjusted for ECLs.

(d) Asset write-off

The asset, or a portion thereof, is written off through utilisation of the ECL allowance once there is no reasonable expectation of recovery. This point is a matter of judgement that will depend on facts and circumstances. Indicators include:

- Status of the debtor e.g. liquidation;
- Number of days past due or number of days since the last payment was received.

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 and separate 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.

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(i) 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.

(ii) 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 cost

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 Disposal groups held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3.24 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.

3.25 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 and separate 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.

Revenue recognition

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time. Revenue from sales are recognised in the income statement when control over goods is transferred to external customers against orders received or services are provided and all relevant obligations have been fulfilled such that the earnings process is regarded as being complete. Sales represents net invoice value after deduction of discounts and allowances given and accruals for estimated future rebates and returns.

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 and separate 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 central bank of Nigeria or Inter-bank rates.

During the year, the rate available to the company are shown below:

- The CBN rate
- Inter-bank rate and
- The GSK UK Group rate

In translating year end monetary assets and liabilities, inter-bank rates which represents the rate at which the company funded its foreign currency transactions have been utilised.

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Royalty

In prior years, royalty accruals were made in the financial statements based on management's best estimate of the amounts it would require to settle the underlying obligations. The Group did not make any royalty accruals in the current financial year due to changes in regulation by the financial reporting council of Nigeria FRCN that accrual are allowed upon prior approval by the National Office for Technology Acquisition and Promotion (NOTAP).

In view of the divestment of the drinks business in 2016 which accounted largely for the prior year accruals, the group considered that seeking NOTAP approval will not results to material benefits to the trading parties in the current year.

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

	Group & Company	
In Thousands of Naira	**2018**	**2017**
Revenue from the sale of goods	18,411,475	16,089,728
Revenue from rendering of service	-	-
	18,411,475	**16,089,728**

5.1 Segment information

Product and services from which reportable segments derive their revenue

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 antibacterial, 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 imported. Segment performance is evaluated based on revenue and 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
	Over-the-Counter (OTC) Medicine
	Nutritional Healthcare
Pharmaceuticals	Antibacterial
	Vaccines
	Prescription drugs

5.2 Segment revenue and results

The following is an analysis of the Group's revenue and results, assets and liabilities from continuing operations by reporting segment. . Segment performance is measured based on revenue and operating profit, as management believes such information is the most relevant in evaluating results of segments relative to other entities.

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In Thousands of Naira	Consumer Healthcare	Pharma-ceuticals	Non-Operational Income	Total
2018 Segment Results				
Revenue	6,457,521	11,953,954	-	18,411,475
Cost of sales	(3,355,662)	(8,299,035)	-	(11,654,697)
Gross Profit	3,101,859	3,654,919	-	6,756,778
Operating expense	(3,139,515)	(2,203,322)	-	(5,342,847)
Operating profit	(37,656)	1,451,587	-	1,413,931
Investment income	-	-	380,537	380,537
Other losses	(74,839)	(565,190)	5,715	(634,314)
(Loss)/profit before tax	**(112,495)**	**886,397**	**386,252**	**1,160,154**
Segment assets & liabilities				
Non-current assets excluding deferred tax	2,358,860	-	-	2,358,860
Net additions to non - current assets, excluding deferred tax	2,883	-	-	2,883
Total non-current assets excluding deferred tax	2,361,743		-	2,361,743
Current assets	9,135,463	4,202,850	-	13,338,313
Total asset excluding deferred tax	**11,497,206**	**4,202,850**	**-**	**15,700,056**
Segment liabilities excluding deferred tax	**6,430,655**	**329,534**	**-**	**6,760,189**

In Thousands of Naira	Consumer Healthcare	Pharma-ceuticals	Non-Operational Income	Total
2017 Segment Results				
Revenue	5,732,799	10,356,929	-	16,089,728
Cost of sales	(4,058,761)	(7,551,399)	-	(11,610,160)
Gross profit	1,674,038	2,805,530	-	4,479,568
Operating expense	(2,568,313)	(1,948,361)	-	(4,516,674)
Operating profit	(894,275)	857,169	-	(37,106)
Investment income	-	-	1,195,632	1,195,632
Other losses	192,315	(872,690)	646,118	(34,257)
Loss/(profit) before tax	**(701,960)**	**(15,521)**	**1,841,750**	**1,124,269**
Segment assets & liabilities				
Non-current assets excluding deferred tax	2,311,992	-	-	2,311,992
Net additions to non-current assets, excluding deferred tax	2,928	-	-	2,928
Total non-current assets excluding deferred tax	2,314,920	-	-	2,314,920
Current assets	22,124,110	2,056,149	-	24,180,259
Total asset excluding deferred tax	**24,439,030**	**2,056,149**	**-**	**26,495,179**
Segment liabilities excluding deferred tax	**9,151,234**	**171,858**	**-**	**9,323,092**

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The accounting policies of the segments are the same as the Group's accounting policies describe in Note 3. This is the measure reported to the management for the purpose of resources allocation and measurement

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.

For the purpose of monitoring segments performance and allocating resources between segments:
- all assets are allocated to reportable segment other than deferred tax asset. assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities. liabilities for which reportable segments are jointly liable are allocated in proportion to segments assets
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segments assets.

5.3 Other Segment information

In Thousands of Naira	Depreciation and Amortisation	
	2018	2017
- Consumer healthcare	377,724	357,628
- Pharmaceuticals	-	-
	377,724	**357,628**

5.4 Geographical information
The Group generates 100% 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 N11.19 billion (2017: N10.12 billion) contributing more than 10% of the Group's total revenue.

6 The following represents the Group and Company's selling and administrative expenses.

	Group		Company	
In Thousands of Naira	2018	2017	2018	2017
Salaries	1,069,792	1,124,026	1,069,792	1,124,026
Electricity, fuel & utility	90,815	63,423	90,815	63,423
Repairs and maintenance - office	15,413	9,384	15,413	9,384
Repairs and maintenance - vehicles	31,491	33,642	31,491	33,642
Repairs and maintenance - others	7,182	61,732	7,182	81,045
Insurance	25,748	31,477	25,748	31,477
Depreciation	153,384	201,699	153,384	182,386
Rent and rates	66,900	73,776	66,900	73,776
Security & facility expenses	20,131	21,554	20,131	21,554
Canteen expenses	137	16	137	16
Freight cost	191,809	83,382	191,809	83,382
Travel and expenses	126,114	34,265	126,114	34,265
Telecom cost	73,764	36,886	73,764	36,886
Audit fees	19,710	17,000	19,210	17,000

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In Thousands of Naira	Group 2018	Group 2017	Company 2018	Company 2017
Consultancy	177,046	90,746	177,546	90,746
Advert and promotion	923,408	539,128	923,408	539,128
Bank charges	87,252	64,845	87,206	64,718
Postage	5,579	11,290	5,579	11,290
Other office supplies	22,113	6,504	22,113	6,504
Other business expenses	79,469	66,997	77,718	66,997
Back duty assessment	247,975	-	247,975	-
Inter-departmental allocation*	1,748,712	1,755,814	1,748,712	1,755,814
Impairment of trade and other receivables (note 18.1 & 18.2)	158,903	114,481	158,903	114,481
Bad debt written off	-	74,607	-	74,607
	5,342,847	**4,516,674**	**5,341,050**	**4,516,547**

*Interdepartmental allocation represents shared service expenses

In Thousands of Naira	Group 2018	Group 2017	Company 2018	Company 2017
6(A) Expense by nature have been disclosed in the statement of comprehensive income as follows				
Selling and distribution	3,096,566	2,730,190	3,096,566	2,730,190
Administrative expenses	2,246,281	1,786,484	2,244,484	1,786,357
	5,342,847	**4,516,674**	**5,341,050**	**6,964,028**
6(B) Cost of Sales				
Materials consumed	11,081,586	11,300,121	11,081,586	11,300,121
Depreciation	224,340	155,929	224,340	155,929
Production overheads	348,771	154,110	348,771	154,110
	11,654,697	**11,610,160**	**11,654,697**	**11,610,160**
6(C) Employee benefits expense				
Wages and salaries	1,587,382	1,597,135	1,587,382	1,597,135
Defined contribution	65,754	80,369	65,754	80,369
	1,653,136	**1,677,504**	**1,653,136**	**1,677,504**
7 Investment Income				
Interest income on short-term deposits	**380,537**	**1,195,632**	**379,410**	**1,194,372**
8 Other gains and losses				
Profit from sale of property, plant and equipment	5,716	119,475	5,716	119,475
Realised foreign exchange losses	(350,355)	(504,033)	(350,355)	(504,033)
Unrealised foreign exchange losses	(412,026)	(386,571)	(412,026)	(386,571)
Provision no longer required:				
Trade receivables	156,372	-	173,628	-
Suntory deal	-	565,000	-	565,000
Other receivable	40,727		23,473	
Other sundry (expense)/income	(74,748)	171,872	(74,748)	171,872
	634,314	**(34,257)**	**(634,314)**	**(34,257)**

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In Thousands of Naira	Group		Company	
	2018	2017	2018	2017
9 Profit before tax				
Profit before tax from continuing operation has been arrived at after charging/(crediting):				
Audit fees	19,210	17,000	19,210	17,000
Impairment (recovery)/ loss on receivables	(14,723)	189,088	(14,723)	189,088
Depreciation	377,724	338,315	377,724	338,315
Net foreign exchange loss	762,381	890,604	762,381	890,604
10 Finance costs				
Interest on bank loans and overdrafts	**-**	**(108)**	**-**	**(108)**

11 Taxes **11.1 Income statement:**	2018	2017	2018	2017
Current income tax:				
Company income tax	118,464	-	118,464	-
Education tax	36,864	-	36,864	-
Back duty assessment	305,647	-	305,647	-
	460,975	-	460,975	-
Deferred tax:				
Relating to origination and reversal of temporary differences	81,555	637,836	81,555	637,836
Total income tax recognised in the current year relating to continuing operations	**542,530**	**637,836**	**542,530**	**637,836**
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax from continuing operations				
Profit before tax from continuing operations	1,160,154	1,124,269	1160,823	1,123,136
Income tax expense calculated at 30% (2017: 30%)	348,046	337,281	348,046	336,941
Education tax	36,864	-	36,864	-
Effect of income tax that is exempt from taxation	-	(2,196)		(2,196)
Back duty assessment	305,647		305,647	
Effect of expense that are not deductible in determining taxable profit	-	-	-	-
Deferred tax	(148,027)	302,751	(148,027)	302,751
Income tax expense recognised in profit or loss (relating to continuing operations)	**542,530**	**637,836**	**542,530**	**637,496**

The tax rate used for the year 2018 and 2017 reconciliations above is the corporate tax rate of 30%.

11.2 Statement of other comprehensive income:	2018	2017	2018	2017
Deferred tax related to items charged or credited directly to equity during the year:				
Deferred tax charge on remeasurement	-	-	-	-
Income tax charged directly to other comprehensive income	-	-	-	-

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In Thousands of Naira	Group		Company	
Statement of Financial Position	**2018**	**2017**	**2018**	**2017**
11.3 Current tax liabilities:				
At 1 January	77,027	1,966,506	68,500	1,952,201
Tax charge in income statement:				
Charge in the current year	155,328	-	155,233	-
Back duty assessment	305,647	-	305,647	-
	538,002	1,966,506	529,380	1,952,201
Company income tax paid	-	(1,041,462)	-	(1,035,684)
Education tax paid	-	(35,121)	-	(35,121)
Back duty assessment paid	(305,647)	(23,918)	(305,647)	(23,918)
Capital Gains tax paid	-	(788,978)	-	(788,978)
At 31 December	**232,355**	**77,027**	**223,733**	**68,500**

	Group		Company	
11.4 Deferred tax balances:	**2018**	**2017**	**2018**	**2017**
Reflected in the statement of financial position as follows:				
Deferred tax assets	(309,878)	-	(309,878)	-
Deferred tax liabilities	416,963	-	416,963	-
Deferred tax (asset)/liabilities	**107,085**	**-**	**107,085**	**-**

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.

In Thousands of Naira **Group and Company**	At 1 January	Effect of adoption of new accounting standards	Recognised in profit or loss	Recognised in other compre-hensive	At 31 December
2018					
Property, plant & equipment	-	-	396,648	-	396,648
Impairment of receivables (Impact of IFRS 9)	-	20,315	-	-	20,315
Right of return asset	-	5215	-	-	5215
Provision for increase in stock write	-	-	(109,650)	-	(109,650)
Unrealised exchange loss	-	-	(131,848)	-	(131,848)
Impairment of receivables	-	-	(24,392)	-	(24,392)
Provision for returns of damaged goods	-	-	(49,203)	-	(49,203)
	-	**22,530**	**81,555**	**-**	**107,085**
2017					
Property, plant & equipment	376,246	-	(376,246)	-	-
Defined benefit obligation Provision	(19,002)	-	19,002	-	-
Provisions	(740,144)	-	740,144	-	-
Unrealised exchange difference	(254,936)	-	254,936	-	-
	(637,836)	**-**	**637,836**	**-**	**-**

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For the year ended 31 December 2018

In Thousands of Naira	Group		Company	
12 Earnings Per Share	**2018**	**2017**	**2018**	**2017**
Net profit attributable to ordinary equity holders of the parent from continuing operations **(N'000)**	617,624	486,433	618,389	485,300
Net profit attributable to ordinary equity holders of the parent from continuing and discontinued operations **(N'000)**	617,624	486,433	618,389	485,300
Weighted average number of ordinary shares for basic and diluted earnings per share **('000)**	1,195,876	1,195,876	1,195,876	1,195,876
Basic and diluted earnings per share **(kobo)**- continuing operations	52	41	52	41
Basic and diluted earnings per share **(kobo)**- continuing and discontinued operations	52	41	52	41

In Thousands of Naira **13 Property, plant and equipment**	Leasehold Land	Buildings	Plant and Machinery	Construction in Progress	Furniture, Fittings and Equipment	Motor Vehicles	Total
Group and Company							
Cost:							
At 1 January 2017	462,509	457,338	1,507,131	421,697	1,257,899	547,879	4,654,453
Additions	-	68,054	72,317	415,454	18,577	100,117	674,519
Transfers	(713)	713	280,009	(280,009)	-	-	-
Adjustments	-	-	-	(15,051)	-	-	(15,051)
Disposals	-	-	(9,984)	(78,383)	(5,000)	(200,736)	(294,103)
At 31 December 2017	461,796	526,105	1,849,473	463,708	1,271,476	447,260	5,019,818
Additions	-	65,068	-	483,153	18,999	29,909	597,129
Transfers		130,226	372,497	(503,435)	712	-	-
Reclassification of assets held for sale	-	-	(192,020)	-	-	-	(192,020)
Disposals	-	-	-	-	(2,523)	(59,198)	(61,721)
At 31 December 2018	461,796	721,399	2,029,950	443,426	1,288,664	417,971	5,363,206
Depreciation:							
At 1 January 2017	113,056	100,469	1,433,946	-	546,314	347,746	2,541,531
Charge for the year	7,863	10,971	161,089	-	50,420	127,285	357,628
Disposal	-	-	(5,097)	-	(5,000)	(181,236)	(191,333)
At 31 December 2017	120,919	111,440	1,589,938	-	591,734	293,795	2,707,826
Charge for the year	8,175	14,064	241,696	-	43,406	70,383	377,724
Reclassification of assets held for sale	-	-	(50,152)		-	-	(50,152)
Disposals	-	-	-	-	(252)	(30,800)	(31,052)
At 31 December 2018	129,094	125,504	1,781,482	-	634,888	333,378	3,004,346
Net book value:							
At 31 December 2018	**332,702**	**595,895**	**248,468**	**443,426**	**653,776**	**84,593**	**2,358,860**
At 31 December 2017	**340,877**	**414,665**	**259,535**	**463,708**	**679,742**	**153,465**	**2,311,992**

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13.1 Adjustments
Adjustments represents capital work-in-progress written-off to profit or loss as at year end.

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

13.3 Capital commitments
Capital commitments in respect of property, plant and equipment amounted to N198 million (2017: N24 million).

13.4 Assets held for Sale
Part of the manufacturing facility has been presented as asset held for sale following the commitment of the Group's management to discontinue the manufacture of all store keeping units (SKU) in which the facility was employed to produce

14 Investment in subsidiary

	Group		Company	
In Thousands of Naira	2018	2017	2018	2017
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.

15 Inventories

	Group		Company	
In Thousands of Naira	2018	2017	2018	2017
Raw materials and consumables	388,380	741,981	388,380	741,981
Work in progress	30,075	23,135	30,075	23,135
Finished goods	3,375,674	2,554,379	3,375,674	2,554,379
Engineering spares	144,578	48,931	144,578	48,931
Total Inventories	**3,938,707**	**3,368,426**	**3,938,707**	**3,368,426**

15.1 Inventories - By Segment

In Thousands of Naira	Group			Company		
	Consumer Healthcare	Pharma-ceuticals	Total	Consumer Healthcare	Pharma-ceuticals	Total
Raw materials and consumables	388,380	-	388,380	741,981	-	741,981
Work in progress	30,075	-	30,075	23,135	-	23,135
Finished goods	929,614	2,446,060	3,375,674	715,740	1,838,639	2,554,379
Engineering spares	144,578	-	144,578	48,931	-	48,931
	1,492,647	**2,446,060**	**3,938,707**	**1,529,787**	**1,838,639**	**3,368,426**

The cost of inventories from continuing operations recognised as an expense and included in cost of sales amounted to N11.1billion (2017: N11.3 billion).

The amount of inventories written off and included in cost of sales was N14 million (2017: N83million).

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16 Trade and other receivables

In Thousands of Naira	Group 2018	Group 2017	Company 2018	Company 2017
Trade receivables (Note 16.1)	3,285,797	3,339,728	3,285,797	3,339,728
Received from related parties (Note 22)	2,295,530	3,140,663	2,295,530	3,140,663
Employee loans and advances	73,992	101,208	73,992	101,208
Other receivables	85,006	229,565	85,006	229,565
	5,740,325	**6,811,164**	**5,740,325**	**6,811,164**

16.1 Trade receivables

In Thousands of Naira	Group & Company 2018	Group & Company 2017
Trade receivables	3,362,023	3,476,908
Impairment loss	(76,226)	(137,180)
	3,285,797	**3,339,728**

Trade receivables are non-interest bearing and are generally on 55 day terms. Glaxosmithkline Consumer Nigeria sells through distributors within Nigeria. GlaxosmithKline Consumer Nigeria Plc's policy states that a provision of 100% should be made on all receivables over 360 days, 7%, 4% and 0.39% is made on doubtful debts with invoices overdue for 181 to 360 days, 61 to 180days and 0 to 60 days bracket respectively. The provision matrix is arrived at after incorporating forward-looking information into historical customer default rates and, where appropriate, group receivables into customer segments that have similar loss patterns

16.1 Trade receivables

In Thousands of Naira	Group & Company 2018	Group & Company 2017
Movement in the allowance for expected credit losses of trade receivables		
Balance at 1 January	137,180	61,160
Adjustment upon application of IFRS 9	(63,485)	-
Additional provision	158,903	144,527
Recoveries	(56,372)	(68,507)
Write offs	-	-
Balance at 31 December	**76,226**	**137,180**
Age of impaired trade receivables		
91-180 days	35,079	89,815
>180 days	41,147	47,365
	76,226	**137,180**

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

16.2 Other receivables

In Thousands of Naira	Group & Company 2018	Group & Company 2017
Other receivables	67,752	342,633
Impairment recovery/(loss)	17,254	(38,461)
Bad debt written offs	-	(74,607)
	85,006	**229,565**

Movement in the allowance for doubtful debts. Balance at beginning of the year

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In Thousands of Naira	Group & Company	
17 Other assets	**2018**	**2017**
Advance to vendor	25,555	618,416
Prepaid rent	52,757	43,455
Prepaid insurance	22,289	16,411
Other prepayments	13	15,666
	100,614	**693,948**
Current	97,731	691,020
Non Current	2,883	2,928
	100,614	**693,948**

18 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:

In Thousands of Naira	Group		Company	
Cash at bank:	**2018**	**2017**	**2018**	**2017**
Current account balances	1,888,944	3,481,800	1,888,944	3,272,652
Short term deposit (45-60 days)	1,500,000	8,900,000	1,500,000	8,900,000
Restricted Cash (Note 20.1)	-	927,849	-	927,849
	3,388,944	**13,309,649**	**3,388,944**	**13,100,501**

In Thousands of Naira	Group		Company	
19 Issued capital and premium	**2018**	**2017**	**2018**	**2017**
Authorised shares	**Thousands**	**Thousands**	**Thousands**	**Thousands**
Ordinary shares of 50k each	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**
	N'000	**N'000**	**N'000**	**N'000**
Ordinary shares of 50k each	**750,000**	**750,000**	**750,000**	**750,000**
19.1 Ordinary shares issued and fully paid				
	Thousands	**Thousands**	**Thousands**	**Thousands**
Ordinary shares of 50k each	**1,195,876**	**1,195,876**	**1,195,876**	**1,195,876**
	N'000	**N'000**	**N'000**	**N'000**
Ordinary shares of 50k each	**597,939**	**597,939**	**597,939**	**597,939**
	N'000	**N'000**	**N'000**	**N'000**
19.2 Share Premium	**51,395**	**51,395**	**51,395**	**51,395**

20 Dividend

On 24 May 2018, the Shareholders approved a dividend of 40k per share amounting to N478 million from retained pioneer profits and special dividend of N7.10k per share amounting to N8.49 billion out of retained non-pioneer profits on which tax has been previously charged.

The directors have considered the effect of this with respect to the Excess Dividend Tax (EDT) rule and are of the opinion that the tax provisions earlier booked remains adequate and consistent with relevant tax laws.

On 7th March 2019, the Directors proposed a final dividend of 50k per 50k ordinary share amounting to N598 million. This is composed of 36k per share amounting to N431m to be paid out of the retained pioneer profit of

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N437million and 14k per share amounting to N167 million from after tax profit for the year ended 31 December 2018 subject to appropriate withholding tax. This dividend is subject to the approval of the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

In Thousands of Naira	Group		Company	
21 Trade and other payables	**2018**	**2017**	**2018**	**2017**
Trade payables	494,189	758,262	493,397	757,467
Amounts due to related parties (Note 25)	3,500,724	6,075,841	3,705,084	6,075,841
Unclaimed dividends (Note 24.1)	583,305	513,850	583,305	513,850
Pension payable	-	23,473	-	23,473
Other payables	255,732	342,242	247,808	336,464
Accruals	1,410,409	1,415,519	1,405,138	1,413,501
	6,244,359	**9,129,187**	**6,434,732**	**9,120,596**

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 25

In Thousands of Naira	Group & Company	
21.1 Contract Liabilities	**2018**	**2017**
Advance from customers	10,149	-
Trade incentives	214,851	116,878
	225,000	**116,878**
21.2 Right of return assets and refund liabilities		
Right to returned goods asset	30,738	-
Refund liabilities arising from rights of return	58,475	-

The right to return goods asset represents the Company's right to recover products from customers in line with the Company's policy of products withdrawals where products are found to be damaged or expired. The Company uses its accumulated historical experience to estimate the number of returns in a year using the expected value method. After adopting IFRS15 on 1 January 2018, right of returned goods asset of N18,052 was recognised. This amount was not restated but was adjusted through retained earnings. Refund liability of N34,349 was recognised as amount payable in respect of the returned goods asset and was also adjusted through the retained earnings.

In Thousands of Naira	Group		Company	
21.3 Pension Contribution	**2018**	**2017**	**2018**	**2017**
At 1 January	23,473	23,473	23,473	23,473
Addition during the year	65,754	145,403	65,754	145,403
Remittance to administrator	(65,754)	(145,403)	(65,754)	(145,403)
Write back	(23,473)	-	(23,473)	-
	-	**23,473**	**-**	**23,473**

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.

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22 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 2018 and 31 December 2017.

	GROUP AND COMPANY		GROUP				COMPANY			
In Thousands of Naira	Purchases from related parties		Amounts owed by related parties		Amounts owed to related parties		Amounts owed by related parties		Amounts owed to related parties	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Subsidiary:										
Winster Pharmaceuticals Limited:	-	-	-	-	-	-	-	-	204,360	-
Other sister companies:										
GSK Pharmaceutical Nigeria Limited	-	-	-	-	257,242	1,069,730	-	-	257,242	1,069,730
GlaxoSmithKline Biologicals S.A.	118,123	10,738	-	-	36,349	11,538	-	-	36,349	11,538
GSK Consumer Healthcare S.A. Pty Ltd	-	-	21,333	-	-	-	21,333	-	-	-
GlaxoSmithkline Dungravan	-	-	-	-	-	429,766	-	-	-	429,766
Gsk Consumer Healthcare , Uk	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Export Limited	8,632,908	6,434,598	-	-	2,871,062	4,399,186	-	-	2,871,062	4,399,186
GlaxoSmithKline Consumer Trading Services (JDE)	334,935	932,058	-	500,429	-	-	-	500,429	-	-
GlaxoSmithkline Uk Ltd Ph	-	-	-	-	-	-	-	-	-	-
GlaxoSmithkline Limited, Kenya	-	2,180	-	34,700	-	-	-	34,700	-	-
GlaxoSmithKline South Africa (Pty) Limited	-	-	-	-	92,186	-	-	-	92,186	-
GlaxoSmithKline Consumer Trading Services CERPS ASGN	245,836	141,160	-	-	243,885	165,621	-	-	243,885	165,621
GSK OPS UK Area	-	-	-	43,802	-	-	-	43,802	-	-
Inter Com - GlaxoSmithkline South Africa	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Pte. Ltd.	-	-	2,247,702	20,916	-	-	2,247,702	20,916	-	-
GlaxoSmithkline Consumer Healthcare	-	-	-	2,508,744	-	-	-	2,508,744	-	-
P.T. Sterling Products Indonesia	-	-	26,076	11,376	-	-	26,076	11,376	-	-
GlaxoSmithKline Services Unlimited	-	-	419	20,696	-	-	419	20,696	-	-
Total	**9,331,802**	**7,520,734**	**2,295,530**	**3,140,663**	**3,500,724**	**6,075,841**	**2,295,530**	**3,140,663**	**3,705,084**	**6,075,841**

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In Thousands of Naira	Group		Company	
22 Related party disclosures	**2018**	**2017**	**2018**	**2017**
Receivable from related parties:				
Local	-	-	-	-
Foreign	2,295,530	3,140,663	2,295,530	3,140,663
	2,295,530	**3,140,663**	**2,295,530**	**3,140,663**
Payable to related parties:				
Local	257,242	1,069,730	257,242	1,069,730
Foreign	3,243,482	5,006,111	3,447,842	5,006,111
	3,500,724	**6,075,841**	**3,705,084**	**6,075,841**

There were no sales to related parties for the year ended 31 December 2018 (2017: nil).

The ultimate parent company

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

Terms and conditions of transactions with related parties

Purchases from related parties are for inventory items

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 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017: 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.

In Thousands of Naira	Group		Company	
23 Compensation of key management personnel of the Group	**2018**	**2017**	**2018**	**2017**
Short-term employee benefits	168,184	259,796	168,184	259,796
Defined contribution	19,791	31,729	19,791	31,729
Total compensation paid to key management personnel	**187,975**	**291,525**	**187,975**	**291,525**

The amounts disclosed in the table above 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 (2017: nil)

24 Directors and employees information

in Numbers	Group & Company	
24.1 Employees	**2018**	**2017**
Administration	53	61
Sales and distribution	24	27
Marketing	6	5
Production	48	66
	131	**159**

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

Winster Pharmaceuticals Limited does not have employees.
The number of employees of the Company, other than directors, who earned more than N900,000 in the year were as follows:

in Numbers			Group & Company	
			2018	2017
2,000,001	to	2,500,000		13
2,500,001	to	3,000,000	13	22
3,000,001	to	3,500,000	19	22
3,500,001	to	4,000,000	18	18
4,000,001	to	4,500,000	9	7
4,500,001	to	5,000,000	7	7
5,000,001	to	5,500,000	8	7
5,500,001	to	6,000,000	4	5
6,000,001	and	above	53	58
			131	159

24.2 Directors

The remuneration paid to directors of the Group was:
Fees and other emoluments disclosed above (including pension contribution) includes amounts paid to:

in Thousands of Naira	Group & Company	
	2018	2017
The Chairman	**8,133**	**7,645**
The highest paid director	**54,134**	**46,326**

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

in Numbers			Group & Company	
			2018	2017
-	to	1,000,000	3	3
1,000,001	to	2,000,000	-	-
2,000,001	to	3,000,000	-	-
3,000,001	to	8,000,000	4	5
8,000,001	to	9,000,000	1	-
9,000,001	to	30,000,000	-	-
30,000,001	and above		1	1
			9	**9**

25 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 the stay of execution on the condition that the judgement 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. Subsequently, the Court notified parties that judgment will be delivered on Monday 6th March 2017.

On 6th March 2017 when the Appeal came up for hearing, the Court set aside the judgment of the Federal High Court that awarded the sum of N 700m (Seven Hundred Million) as special damages and reduced the general damages from N 500m (Five Hundred Million) to N 50m (Fifty Million Naira) only.

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 some 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. The Company has a total contingent liability amounted to N173m. Based on the facts, it is the opinion of the directors that the effect of the current actions will not be material.

26 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.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

In Thousands of Naira	Liabilities		Assets	
	2018	2017	2018	2017
USD	1,304,906	3,723,181	-	616,745
GBP	-	-	40,174	177,035
Others	144,822	-	-	-

The following table details the Group'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	
	2018	2017
Profit or loss	130,491	310,644

The only subsidiary (Winter 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.

27 Financial risk management objectives and policies

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

In Thousands of Naira	Credit rating by counter party								
	Unrated	BBB	B	AAA	AA-	B+	A-	A+	Total
Group									
Cash in bank and short term deposits (2018)	10,256	-	785,611	-	864,448	172,705	33,349	1,522,575	**3,388,944**
Cash in bank and short term deposits (2017)	265,036	33,345	147,564	922,721	-	1,473,046	-	10,467,937	**13,309,649**
Company									
Cash in bank and short term deposits (2018)	10,256	-	785,611	-	864,448	172,705	33,349	1,522,575	**3,388,944**
Cash in bank and short term deposits (2017)	265,036	33,345	147,516	922,721	-	1,473,046	-	10,258,837	**13,100,501**

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

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2018

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 2018, the Group had 77 customers. One customer owed the Group N2.78billion which represents 86% 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.

The directors are of the opinion that there is no credit risk in relation to related party receivables. The Group 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.

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.

27 Financial risk management objectives and policies

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.

In Thousands of Naira	On demand	3 to 12 months	Total
Group			
As at 31 December 2018			
Other current financial liabilities	-	-	-
Trade and other payables	2,168,432	4,075,927	6,244,359
	2,168,432	**4,075,927**	**6,244,359**
As at 31 December 2017			
Other current financial liabilities	-	-	-
Trade and other payables	3,170,224	5,958,963	9,129,187
	3,170,224	**5,958,963**	**9,129,187**
Company			
As at 31 December 2018			
Other current financial liabilities	-	-	-
Trade and other payables	2,234,541	4,200,191	6,434,733
	2,234,541	**4,200,191**	**6,434,733**
As at 31 December 2017			
Other current financial liabilities	-	-	-
Trade and other payables	3,161,633	5,958,963	9,120,596
	3,161,633	**5,958,963**	**9,120,596**

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.

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

27 Financial risk management objectives and policies

Financial instrument fair value estimation

a) Financial instrument fair value estimation

The Group holds a number of financial assets.

Fair values of financial assets and financial liabilities

Financial assets utilised by the Group during the years ended 31 December 2018 and 31 December 2017, together with information regarding the methods and assumptions used to calculate fair values, can be summarised as follows:

Current assets and liabilities - Financial instruments/assets 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/assets 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 2018 and 31 December 2017. None of the financial assets and liabilities has been reclassified during the year.

	2018	2017
in Thousands of Naira	Carrying amount and fair value	Carrying amount and fair value
Loans and receivables		
- Cash and bank balances	3,388,944	13,309,649
- Trade and other receivables (excluding non-financial assets)	3,285,797	3,339,728
	6,674,741	**16,649,377**
Financial liabilities		
- Trade and other payables (except non-financial assets)	**3,994,913**	**6,834,103**

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 2018.

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.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2018

In Thousands of Naira	Group		Company	
	2018	**2017**	**2018**	**2017**
Trade and other payables (Note 24)	6,244,359	9,129,187	6,434,732	9,120,596
Less: cash and bank balances (Note 20)	3,388,944	13,309,649	3,388,944	13,100,501
	2,855,415	(4,063,584)	3,045,788	(3,863,027)
Equity	8,832,782	17,172,087	8,651,191	16,980,217
Capital and net debt	11,688,197	13,108,503	11,696,979	13,117,190
Gearing ratio (Cap to Zero)	**24%**	**-**	**26%**	**-**

28 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.

29 Events after the reporting date

There were no events occurring after the reporting period that could have a material effect on the state of affairs of the Group as at 31 December 2018 which have not been adequately provided for or disclosed in these financial statements.

30 Financial commitments

The Company has no financial commitment as at the year ended 31st December, 2018(2017:Nil)

Other National Disclosure

Consolidated and Separate Statement of Value Added

	Group				Company			
	2018 N'000	%	2017 N'000	%	2018 N'000	%	2017 N'000	%
Turnover	18,411,475		16,089,728		18,411,475		16,089,728	
Other income	(11,654,697)		1,195,632		(11,654,697)		1,195,632	
	6,756,778		17,285,360		6,756,778		17,285,360	
Bought-in-materials								
- Local	(1,616,786)		(6,603,287)		(1,616,428)		(6,603,817)	
- Imported	(1,841,893)		(7,522,672)		(1,841,486)		(7,523,275)	
	(3,458,679)		(14,125,959)		(3,457,914)		(14,127,092)	
Value added	**3,298,099**	**100**	**3,159,401**	**100**	**3,298,864**	**100**	**3,158,268**	**100**
Applied as follows:								
Employees								
Salaries and benefits	1,653,136	50	1,677,504	53	1,653,136	50	1,677,504	53
Provider of funds								
Interest	-			-			-	-
Government								
Taxation	542,530	16		-	542,530	16	-	-
The Future								
Depreciation	377,724	11	357,628	11	377,724	11	357,628	11
Profit or loss account	617,624	19	486,433	15	618,389	19	485,300	15
Deferred tax charge / (credit)	107,085	3	637,836	21	107,085	3	637,836	21
	3,298,099	**100**	**3,159,401**	**100**	**3,298,864**	**100**	**3,158,268**	**100**

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. This statement is based on continuing operations.

Five Years' Financial Summary - The Group

For the year ended 31 December 2018

In Thousands of Naira	2018	2017	2016	2015	2014
Assets employed					
Non-current assets	2,361,743	2,314,920	2,123,895	13,874,242	13,419,394
Deferred tax asset	-	-	637,836	-	-
Net current assets	6,578,124	14,857,167	14,282,986	1,128,663	1,352,659
Deferred taxation liability	(107,085)	-	-	(1,839,343)	(1,692,834)
Retirement benefits	-	-	(302)	(169,245)	(130,975)
	8,832,782	**17,172,087**	**17,044,415**	**12,994,477**	**12,948,244**
Financed by					
Share capital	597,939	597,939	597,939	597,939	478,351
Share premium	51,395	51,395	51,395	51,395	51,395
Retained earnings	8,183,448	16,522,753	16,395,081	12,345,143	12,418,498
	8,832,782	**17,172,087**	**17,044,415**	**12,994,477**	**12,948,244**
Turnover and Profit					
Turnover	18,411,475	16,089,728	14,384,785	15,391,585	30,521,127
Gross profit	6,756,778	4,479,568	8,966,411	5,425,772	10,801,472
Profit before interest charges and taxation	1,160,154	1,124,269	185,999	1,066,641	2,757,331
Interest charges	-	-	(108)	(1,040)	(5,115)
Profit before taxation	1,160,154	1,124,269	185,891	1,065,601	2,752,216
Taxation	(542,530)	(637,836)	2,192,254	(192,467)	(903,374)
Profit after taxation	**617,624**	**486,433**	**2,378,145**	**873,134**	**1,848,842**
Profit before taxation as a percentage of turnover	6%	7%	1.3%	6.9%	9.0%
Proposed dividend***	597,938	478,350	358,761	358,761	717,526
Dividend per share (kobo)	50	40	30	30	75
Earnings per share (kobo)	52	41	199	96	193

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

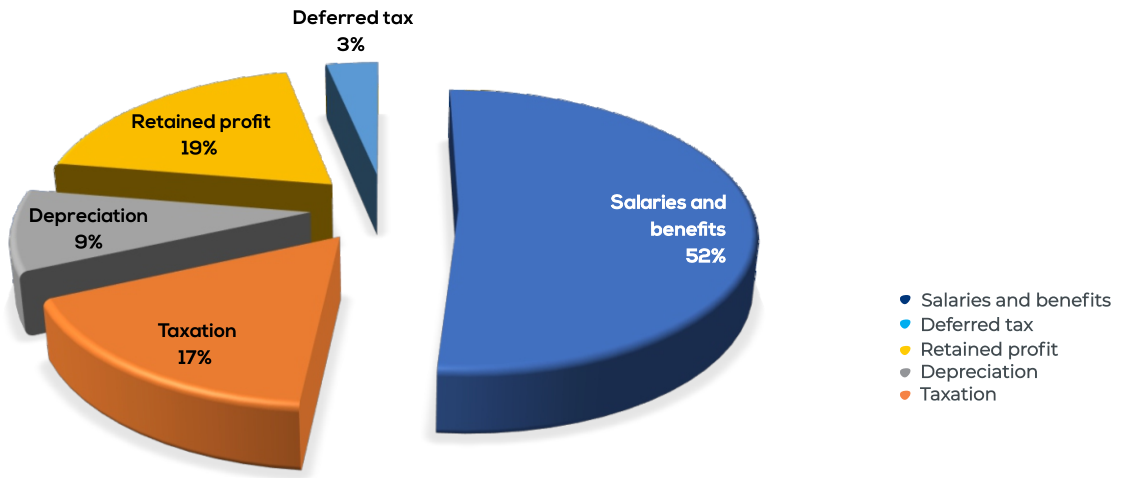
Five Years' Financial Summary - The Company

For the year ended 31 December 2018

In Thousands of Naira	2018	2017	2016	2015	2014
Assets employed					
Non-current assets	2,361,903	2,315,080	2,124,055	13,874,402	13,419,554
Deferred tax asset	-	-	637,836	-	-
Net current assets/(liabilities)	6,396,373	14,665,137	14,092,089	1,128,663	1,170,483
Deferred taxation liability	(107,085)	-	-	(1,839,343)	(1,692,834)
Retirement benefits	-	-	(302)	(169,245)	(130,975)
	8,651,191	**16,980,217**	**16,853,678**	**12,994,477**	**12,766,228**
Financed by					
Share capital	597,939	597,939	597,939	597,939	478,351
Share premium	51,395	51,395	51,395	51,395	51,395
Retained earnings	8,001,857	16,330,883	16,204,344	12,345,143	12,236,482
	8,651,191	**16,980,217**	**16,853,678**	**12,994,477**	**12,766,228**
Turnover and Profit					
Turnover	18,411,475	16,089,728	14,384,785	15,391,585	30,521,127
Gross profit	6,756,778	4,479,568	8,966,411	5,425,772	10,801,472
Profit before interest charges and taxation	1,160,82	1,123,136	185,999	1,057,920	2,739,022
Interest charges	-	-	(108)	(1,040)	(5,115)
Profit before taxation	1,160,824	1,123,136	185,891	1,056,880	2,733,907
Taxation	(542,435)	(637,836)	2,192,254	(192,467)	(903,374)
Profit for the year	**618,389**	**485,300**	**2,378,145**	**864,413**	**1,830,533**
Profit before taxation as a percentage of turnover	6%	3%	17%	6%	6%
Proposed dividend***	597,938	478,350	358,761	358,761	717,526
Dividend per share (kobo)	50	40	30	30	75
Earnings per share (kobo)	52	41	199	96	193

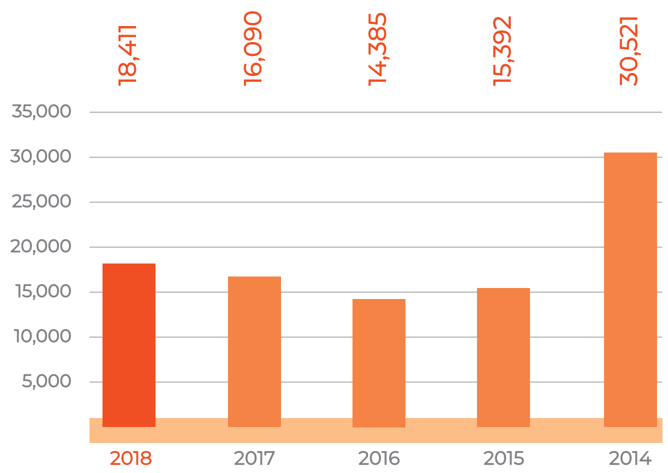
*** Proposed dividend represents dividend for the current year but declared and paid during the following year.

Statement of Value Added
For the year ended 31 December 2018

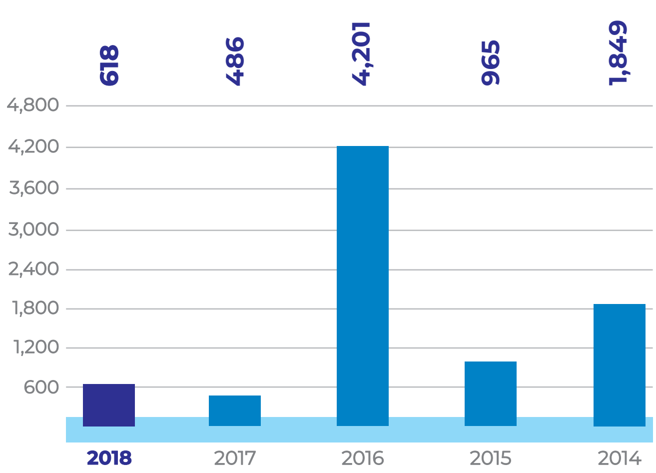


Five Year Financial Trend
For the year ended 31 December 2018

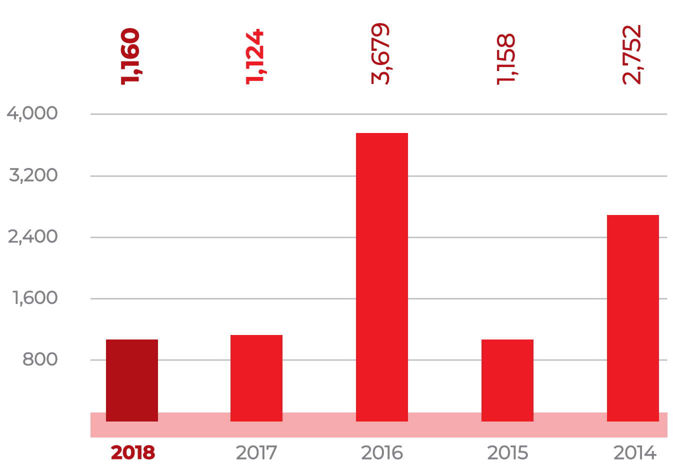
Turnover
(in millions of Naira)



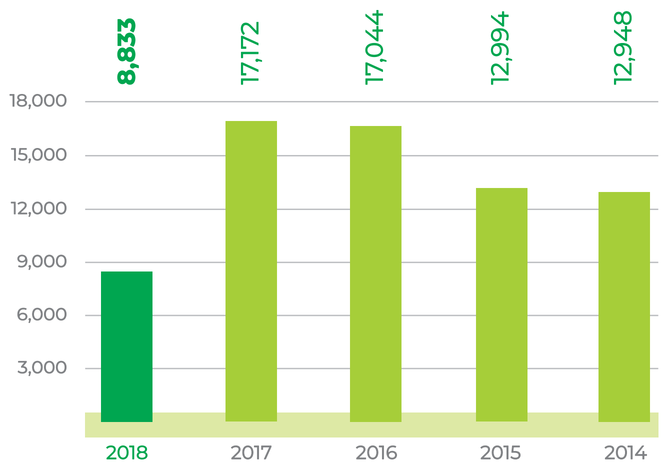
Profit After Tax
(in millions of Naira)



Profit Before Tax
(in millions of Naira)



Shareholders' Funds
(in millions of Naira)



Shareholders' Information

Share Capital History

YEAR	AUTHORIZED SHARE CAPITAL	VALUE (NAIRA)	FULLY ISSUED SHARE CAPITAL	VALUE (NAIRA)	DESCRIPTION
1980	8,000,100	4,000,050	11,717,386	5,858,693	
1981	16,000,144	8,000,072	23,434,772	11,717,386	BONUS:1:1
1982	16,000,144	8,000,072	23,434,772	11,717,386	
1983	16,000,144	8,000,072	23,434,772	11,717,386	
1984	32,000,176	16,000,088	46,869,544	23,434,772	BONUS:1:1
1985	32,000,176	16,000,088	46,869,544	23,434,772	
1986	32,000,176	16,000,088	46,869,544	23,434,772	
1987	32,000,176	16,000,088	46,869,544	23,434,772	
1988	56,000,308	28,000,154	82,021,706	41,010,853	BONUS:3:4
1989	56,000,308	28,000,154	82,021,706	41,010,853	
1990	84,000,462	42,000,231	123,032,560	61,516,280	BONUS:1:2
1991	84,000,462	42,000,231	123,032,560	61,516,280	
1992	126,000,694	63,000,347	184,548,840	92,274,420	BONUS:1:2
1993	126,000,694	63,000,347	184,548,840	92,274,420	
1994	252,001,388	126,000,694	369,097,680	184,548,840	BONUS:1:1
1995	400,000,000	200,000,000	553,646,520	276,823,260	BONUS:1:2
1996	800,000,000	400,000,000	664,375,827	332,187,914	BONUS:1:5
1997	800,000,000	400,000,000	664,375,827	332,187,914	
1998	800,000,000	400,000,000	664,375,827	332,187,914	
1999	800,000,000	400,000,000	797,250,992	332,187,914	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	960,000,000	480,000,000	956,701,190	478,350,595	
2016	1,500,000,000	750,000,000	1,195,876,488	597,938,244	BONUS 1:4
2017	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
2018	1,500,000,000	750,000,000	1,195,876,488	597,938,244	

Shareholders' Information
For the year ended 31 December, 2018

Bonus History

DATE ISSUED	NUMBER ISSUED (UNIT)	BONUS RATIO
1979	500,003	BONUS: 1:3
1981	8,000,044	BONUS:1:1
1984	16,000,088	BONUS:1:1
1988	24,000,132	BONUS:3:4
1990	28,000,154	BONUS:1:2
1992	42,000,231	BONUS:1:2
1994	126,000,693	BONUS:1:1
1995	126,000,693	BONUS:1:2
1996	75,600,416	BONUS:1:5
1999	132,875,166	BONUS:1:5
2005	159,450,199	BONUS:1:5
2015	239,175,298	BONUS: 1:4

Ten-Year Dividend History

YEAR	DIVIDEND NOS	DIVIDEND PAID (GROSS) (N '000)	DIVIDEND PER SHARE (KOBO)	DATE PAID
2008	31	574,020,714.00	0.60	22-05-09
2009	32	717,525,892.50	0.75	26-05-10
2010	33	1,148,041,428.00	1.20	25-05-11
2011	34	1,148,041,428.00	1.20	25-05-12
2012	35	1,243,711,547.00	1.30	24-05-13
2013	36	1,243,711,547.00	1.30	12-06-14
2014	37	717,525,892.50	0.75	12-06-15
2015	38	358,762,946.40	0.30	05-07-16
2015	39	717,525,892.80	0.60	12-10-16
2016	40	358,762,946.40	0.30	01-07-17
2017	41	8,490,723,064.80	7.10	25-05-18
2017	42	478,350,595.20	0.40	25-05-18

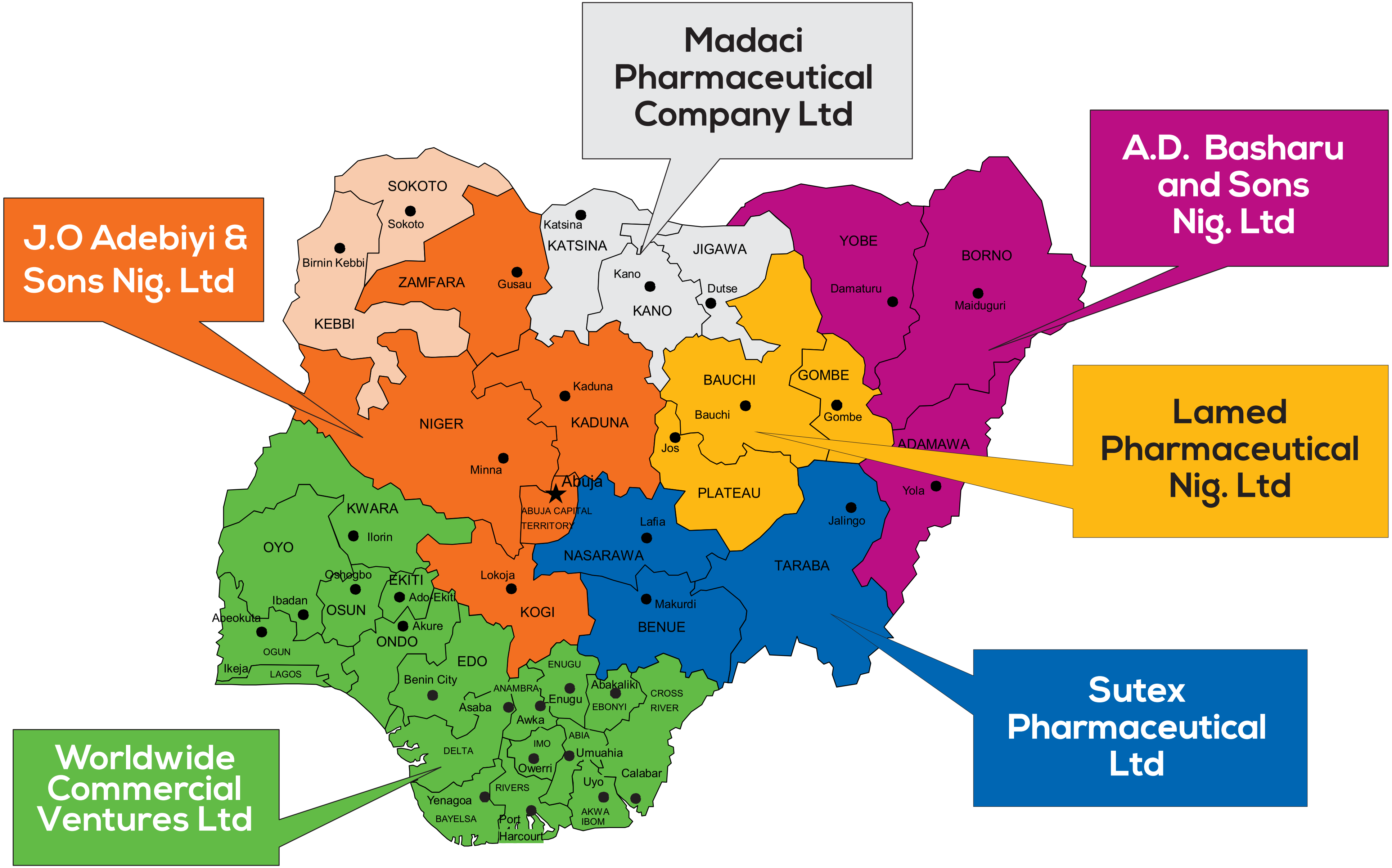
Unclaimed Dividend as at 31/12/2018	
YEAR	AMOUNT UNCLAIMED (N)
2007	15,356,546.33
2008	17,388,728.83
2009	23,666,926.68
2010	28,976,779.33
2011	118,616,644.08
2012	80,059,096.44
2013	85,842,175.77
2014	81,469,346.40
2015	43,874,782.92
2016	31,010,769.00
2016	59,552,783.70
2017	32,752,197.00
2018	872,474,025.76
2018	54,660,023.20
TOTAL	1,545,700,825.44

Unclaimed Dividend Warrants

Our records show that dividend warrants in respect of the unclaimed dividends listed in the attached Unclaimed Dividend List have not been presented while a number have been returned to the Registrars as unclaimed and undeliverable.

For Unclaimed Dividends,
Contact:
The Managing Director
Greenwich Registrars Limited,
274, Murtala Muhammed Way, Yaba,
P.M.B. 12717,
Lagos.

GSK Distributors & Territories



List of Distributors

- 1. J.O. Adebiyi & Sons Nigeria Limited
- 2. World Wide Commercial Ventures Limited
- 3. Madaci Pharmaceutical Company Limited
- 4. A. D. Basharu & Sons Nig. Limited
- 5. Lamed Pharmaceuticals Nig. Ltd
- 6. Sutex Pharmaceutical Ltd


MUNA SAKE GABATARWA
Andrews®
Liver Salts
ORIGINAL
gsk
CHAWA/CHAND/0005/19
KA YI AIKI A KAN 6 ILLAR LUNAR ZUCI DA SAURI
5g
Andrews
Liver Salts
WORKS ON 6 SYMPTOMS OF HEARTBURN FAST
ORIGINAL
Sodium Bicarbonate, Citric Acid and Magnesium Sulphate
1 Tsami ne ko dacin baki
2 Tashin zuciya zafin makogoro
3 Tashin zuciya zafin kiriji
4 Tashin zuciya zafin ciki
5 Murdawa ko kullewar ciki
6 Nauyi*
*Saboda cushewar iska a ciki.
If symptoms persist after two days, consult your doctor
Andrews® Liver Salts (Sodium Bicarbonate 2.0 g, Citric Acid Anhydrous 1.866 g and Magnesium sulphate Dihydrate 0.873 g). For full prescribing information refer to the summary of product characteristics dated October 2006 as approved by NAFDAC. Made by GlaxoSmithKline Consumer Nigeria Plc RC. 8726 Igbesa Road, Agbara, Ogun State. Under licence from GlaxoSmithKline Plc, Brentford, England. Andrews and Andrews Liver Salt are registered trademarks of the GlaxoSmithKline Group of Companies. References: *Johnson S, Suralik J. A Comparison of the Effect of Regular ENO and Placebo on Intragastic pH. Practical Gastroenterology 2009. List of 6 Symptoms: 1. Bitter or sour taste in mouth, 2. burning sensation in throat, 3. burning sensation in chest, 4. burning sensation in stomach, 5. stomach discomfort and 6. Heaviness**.**Due to acid indigestion or gastric acid (** on "heaviness") . Roger Jones and Karen Ballard. Healthcare seeking in gastro-oesophageal reflux disease: a qualitative study. European Journal of Gastoenterology & Hapatology 2008, 20:260-275. FDA. 21 CFR 331.11(d). 2011

2018 in Retrospect

GSK 47th Annual General Meeting

As a publicly owned company, we know that we have a responsibility to our shareholders and aim to protect their interest in every business decision. In 2018, our Board of Directors and Management again met with our shareholders at the Annual General Meeting to review events of the year and rub minds on the way forward to becoming the first and best Fast Moving Consumer Healthcare Company.

The Directors and Company Secretary standing for the National Anthem at the 47th Annual General Meeting


Cross section of shareholders including Mr. A. A. Adebisi voting at the 47th Annual General Meeting


Representatives of Greenwich Registrars and Mr. Nonah Awoh in a chit-chat before the meeting

Shareholders visit Sensodyne tent to interact with the brand before the meeting


The Chairman and the Finance Director in a warm handshake with Pa. Timothy Adesiyan, a shareholder

Mr. Samuel Kuye, an Independent Non-Executive Director, standing to be recognized. On his right is Mr. Tunde Lemo and left is Mrs. Lubabatu Bello, both Independent Non-Executive Directors

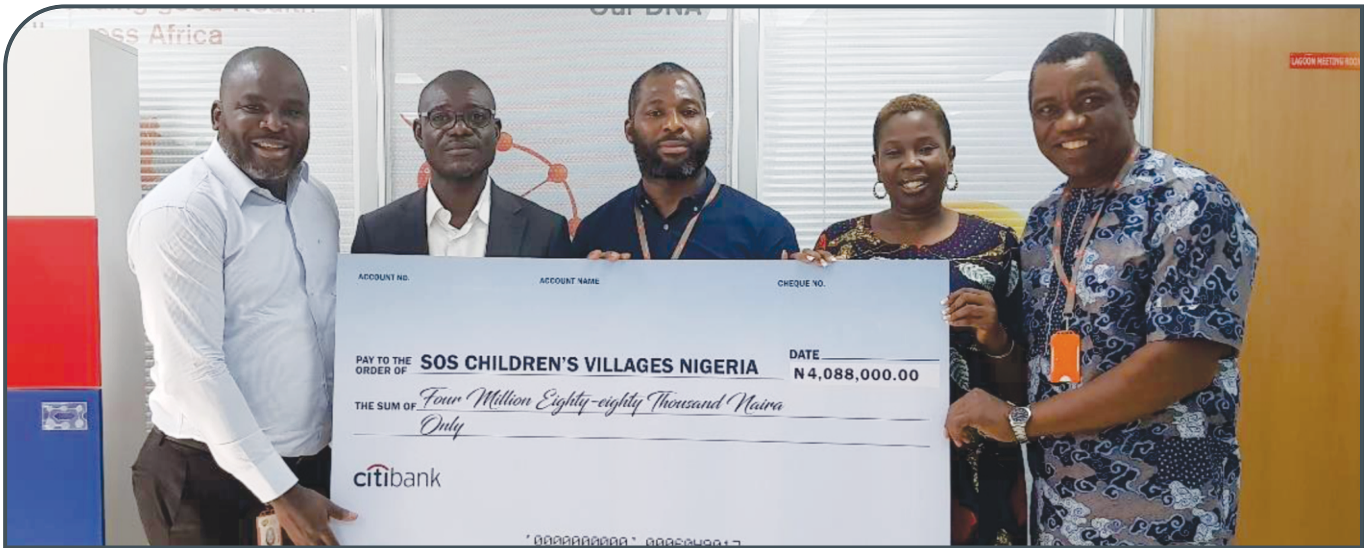

Cross section of the shareholders standing for the opening prayer


Cross section of shareholders reviewing the Annual Report at the 47th Annual General Meeting


Cross section of shareholders including Alhaji Gbadebo and Brig. E.E Ikwue

2018 in Retrospect

2018 Orange day Activities



The Company Secretary and Members of the Management Team of GSKN presenting cheque to SOS representative

The Managing Director and Staff of GSKN posing for photograph before setting out to SOS Village

GSK employee happily repainting the GSK House at SOS Village

GSK Leadership with SOS leadership at the 2018 engagement

GSK Employees at Omisina Memorial aged peoples' home

It's painting time as GSK employees take time off to support a community's painting project

GSK employees celebrating 2018 Orange Day

Letter from Greenwich Registrars

GREENWICH REGISTRARS & DATA SOLUTIONS

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 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

Please visit any bank branches nationwide or any of the Greenwich registrars' offices or visit http://www.greenwichregistrars.com/wp-content/uploads/2017/03/E-Divdend-Mandate.pdf

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

The Managing Director
Greenwich Registrars & Data Solutions Limited
(Formerly GTL Registrars Ltd)
274, Murtala Muhammed Way
Yaba
P.M.B. 12717
Lagos.

REINTRODUCING
Andrews® Liver Salts
ORIGINAL
gsk
CHAWA/CHAND/0005/19
DEY WORK FOR 6 THINGS WEY DEY CAUSE HEARTBURN SHARPALI
1 Mouth Wey Bitter Or Sour
2 Burn Burn For Throat
3 Burn Burn For Chest
4 Burn Burn For Belle
5 Belle Wey No Settle
6 Body Wey Heavy As Belle No Settle
*Because of food wey no digest
5g
Andrews
Liver Salts
WORKS ON 6 SYMPTOMS OF HEARTBURN FAST
ORIGINAL
Sodium Bicarbonate, Citric Acid and Magnesium Sulphate
If symptoms persist after two days, consult your doctor
Andrews® Liver Salts (Sodium Bicarbonate 2.0 g, Citric Acid Anhydrous 1.866 g and Magnesium sulphate Dihydrate 0.873 g). For full prescribing information refer to the summary of product characteristics dated October 2006 as approved by NAFDAC. Made by GlaxoSmithKline Consumer Nigeria Plc RC. 8726 Igbesa Road, Agbara, Ogun State. Under licence from GlaxoSmithKline Plc, Brentford, England. Andrews and Andrews Liver Salt are registered trademarks of the GlaxoSmithKline Group of Companies. References: *Johnson S, Suralik J. A Comparison of the Effect of Regular ENO and Placebo on Intragastic pH. Practical Gastroenterology 2009. List of 6 Symptoms: 1. Bitter or sour taste in mouth, 2. burning sensation in throat, 3. burning sensation in chest, 4. burning sensation in stomach, 5. stomach discomfort and 6. Heaviness**.**Due to acid indigestion or gastric acid (** on "heaviness") . Roger Jones and Karen Ballard. Healthcare seeking in gastro-oesophageal reflux disease: a qualitative study. European Journal of Gastoenterology & Hapatology 2008, 20:260-275. FDA. 21 CFR 331.11(d). 2011

GLAXOSMITHKLINE CONSUMER NIGERIA PLC
ANNUAL GENERAL MEETING TO BE HELD AT THE
SHELL NIGERIA HALL, MUSON CENTRE, 8/9 MARINA, ONIKAN, LAGOS.
ON THURSDAY 23RD MAY, 2019 AT 11 A.M.

I/We*...

(Name of Shareholder(s) IN BLOCK LETTERS PLEASE)

of...

....Bein g
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 23rd May, 2019 and at any adjournment thereof.

Dated this ....day of................2019

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	FOR	AGAINST
1. To declare a dividend		
2a. To elect Directors		
I. Mr. Basel Nizameddin		
2b. Re-elect Directors retiring by rotation		
I. Mr. Babatunde Lemo		
ii. Mrs. Lubabatu Bello		
3. To authorize the Directors to fix the remuneration of the Auditors.		
4. To elect Members of the Audit Committee		
5. To fix the remuneration of the Directors		
SPECIAL RESOLUTION		
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 Annual General Meeting of GlaxoSmithKline Consumer Nigeria PLC to be held at the Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos on Thursday, 23rd May, 2019.

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.
(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
Greenwich Registrars & Data Solutions Limited
(Formerly GTL Registrars Ltd)
274, Murtala Muhammed Way
Yaba, Lagos.

Application Form

gsk do more feel better live longer

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, Greenwich Registrars & Data Solutions 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, Greenwich Registrars & Data Solutions 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
Greenwich Registrars & Data Solutions Limited
(former GTL Registrars LTD)
274, Murtala Muhammed Way, Yaba, Lagos.

GLAXOSMITHKLINE CONSUMER NIGERIA PLC
(RC8726)

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In case of Corporate Shareholder, use company seal.

Affix
N50.00 Postage Stamp
Here

The Managing Director
Greenwich Registrars & Data Solutions Limited
(Formerly GTL Registrars Ltd)
274, Murtala Muhammed Way
Yaba, Lagos.

Electronic Delivery Mandate Form

Dear Sir/ Madam,

In line with the Company's Articles of Association and to enable you receive your Annual reports, Financial Statements and other documents promptly, please complete the below form and return to either of the following addresses.

OR

The Managing Director
Greenwich Registrars & Data Solutions Limited,
274, Murtala Muhammed Way, Yaba, Lagos.
info@gtlregistrars.com

The Company Secretary,
GlaxoSmithKline Consumer Nigeria PLC,
1, Industrial Avenue, Ilupeju, Lagos.
ng.investors@gsk.com

Uche Uwechia
Company Secretary

MY/OUR 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. 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 ongoing basis unless you change or cancel your enrolment.

This initiative is 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
Greenwich Registrars & Data Solutions Limited
(Formerly GTL Registrars Ltd)
274, Murtala Muhammed Way
Yaba, Lagos.

Notes:

Anti-Bribery & Corruption Programme
- ABAC

"Our attitude towards corruption is simple: it is one of zero tolerance."


CHUKWUDI
Empowering women in fish farming
gsk
HEADACHE
JOINT PAIN
BACKACHE
CHAWA/CHPAN/0047/16
Panadol
Extra
Extra effective pain relief
Reduces fever
Gentle on the stomach
10x10 CAPLETS
RELIEVES
• HEADACHE • BACKACHE
• JOINT PAIN • TOOTHACHE
• MENSTRUAL PAIN
GlaxoSmithKline Consumer Nigeria PLC.
1, Industrial Avenue, Ilupeju, Lagos. P.M.B. 21218, Ikeja, Lagos, Nigeria
T: +234 1 271 1000 | W: www.gsk.com/ng
GSK Factory
Km 32, Igbesa Road, Agbara Industrial Estate, Agbara, Ogun State.
Designed by:
EQUIPPE STREAMS: +234-809-688-7777, +1-438-833-2163