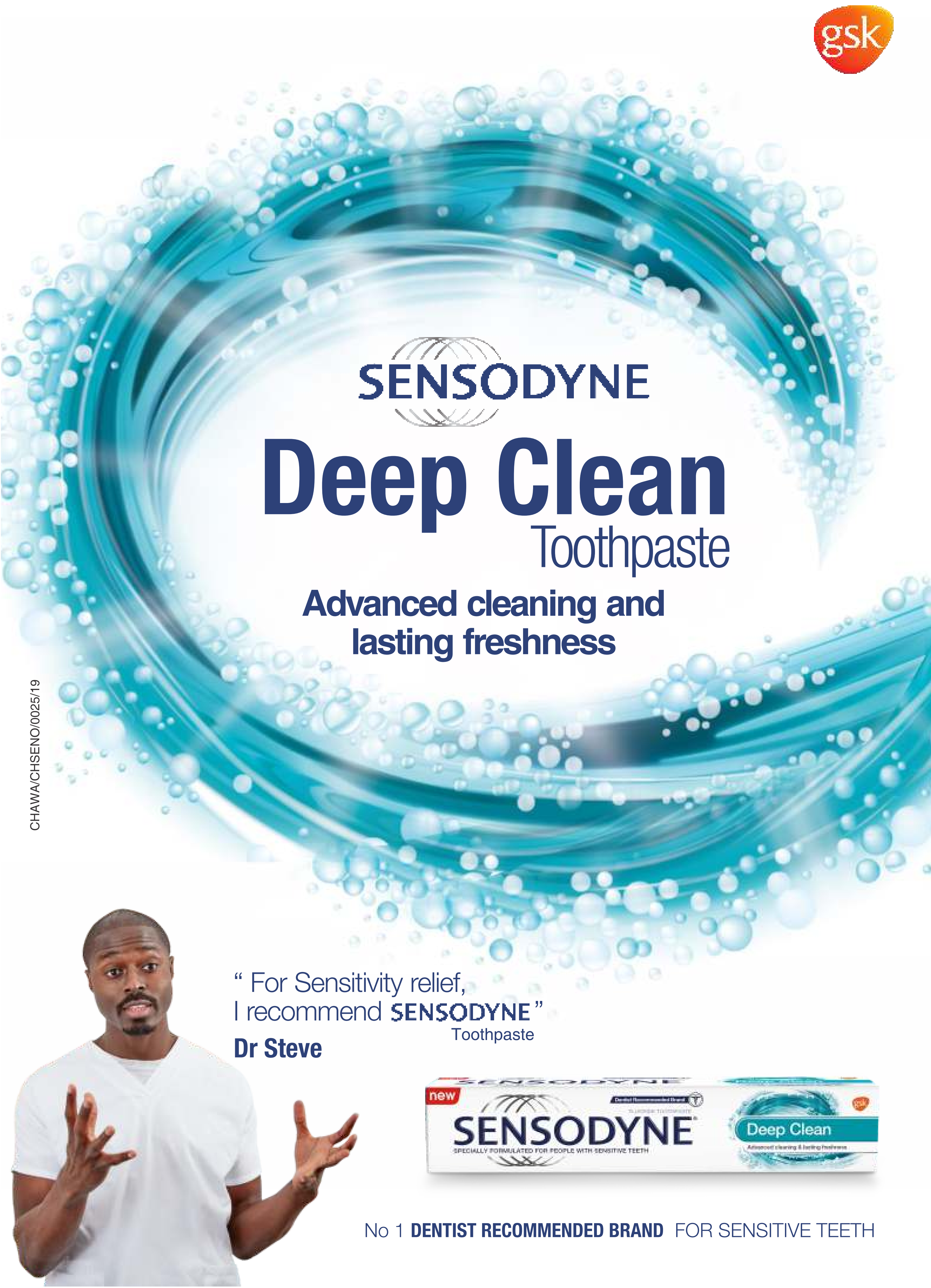
GlaxoSmithKline Consumer Nigeria PLC.
(RC 8726)

do more
feel better
live longer

2019

ANNUAL REPORT
& FINANCIAL STATEMENT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SENSODYNE
Deep Clean
Toothpaste
Advanced cleaning and lasting freshness
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" For Sensitivity relief,
I recommend SENSODYNE Toothpaste"
Dr Steve
new
SENSODYNE
SPECIALLY FORMULATED FOR PEOPLE WITH SENSITIVE TEETH
Deep Clean
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**

"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."

Corporate Report

Financial Statements

Shareholders' Information

Financial Highlights

THE GROUP

Continuing Operations	2019 N'000	2018 N'000	% Growth
Revenue	20,760,320	18,411,475	13
Gross profit	6,052,300	5,928,151	2
Profit before tax	1,169,332	1,160,154	1
Income tax (expense)/credit	(252,227)	(542,530)	-54
Profit after tax for the year	**917,104**	**617,624**	**48**
Discontinued Operations			
Share capital	597,939	597,939	0
Shareholders funds	9,153,067	8,832,782	4
Earnings per share (kobo)	77	52	47
Net asset per share	7.65	7.39	4

Notice of the 49th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Ninth Annual General Meeting of GlaxoSmithKline Consumer Nigeria PLC will be held at its Head Office, GSK Nigeria House, 1, Industrial Avenue, Ilupeju, Lagos, on Thursday, 23rd July 2020 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 2019, together with the reports of the Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To elect/re-elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect the members of the Audit Committee.

SPECIAL BUSINESS

6. To fix the remuneration of the Directors.
7. To consider and pass the following resolution as an ordinary resolution of the Company:

   "That the general mandate given to the Company to enter into transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms in compliance with the NSE Rules Governing Transactions with Related Parties or Interested Persons, be and is hereby renewed."

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.

Shareholders should note that in view of the COVID-19 pandemic and following the Government's restrictions on public gatherings approved that attendance to the meeting shall only be by proxy to ensure public health and safety. A Member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies, to attend and vote in his or her stead:

1 Mr. Edmund Onuzo	2 Mr. Kunle Oyelana
3 Mr. Samuel Kuye	4 Mr. Matthew Akinlade
5 Sir. Sunny Nwosu	6 Mr. Nornah Awoh

A proxy form is attached to the Annual Report. All instruments of proxy must be deposited at the office of the Company's Registrars, Greenwich Registrars & Data Solutions Limited, 274 Murtala Muhammed Way, Yaba, Lagos, P.M.B. 12717, Lagos or via E-mail: proxy@gtlregistrars.com not later than 48 hours before the time of the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

II. PAYMENT OF DIVIDEND

If the dividend recommended is approved, dividend would be paid electronically on Friday, 24th July 2020 to holders of shares whose names appear in the Register of Members at the close of business on Monday, 22rd June 2020, 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 Tuesday, 23rd June 2020 to Thursday, 2nd July 2020, 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 DIVIDENDS

Several dividend warrants remain unclaimed or are yet to be presented for payment or returned to the Registrars for revalidation. A list of such members will be circulated with the Annual Report and Financial Statements. Members affected are advised to complete the e-dividend registration or write to or call at the office of the Company's Registrars, Greenwich Registrars & Data Solutions Limited, 274 Murtala Muhammed Way, Yaba, Lagos, P. M.B. 12717, Lagos 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 at their registered addresses stated above.

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 Rulebook 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 to ng.investors@gsk.com and forward copies to the relevant regulatory bodies.

VIII ELECTRONIC ANNUAL REPORT

The soft copy of the 2019 Annual Report can be accessed on our website and sent to our shareholders who have provided their email addresses and WhatsApp numbers to the Registrars. Shareholders who are interested in receiving the soft copy of the 2019 Annual Report should request via email to: info@gtlregistrars.com.

IX LIVE STREAMING OF AGM

The AGM will be streamed live online. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at https://ng.gsk.com/en-gb/investors/

Dated this 1st day of June 2020.
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 22 day of May 2020.

Directors, Officers and Professional Advisers

Directors

Mr. Edmund C. Onuzo	*Chairman*
Mr. Kunle Oyelana	*Managing Director (appointed with effect from 1/06/2019)*
Mr. Bhushan Akshikar *(Indian)*	*Managing Director (resigned with effect from 31/05/ 2019)*
Mr. Samuel Kuye	
Mr. Tunde Lemo, *OFR*	*(resigned with effect from 30/06/2019)*
Mrs. Lubabatu Bello	
Mr. Kareem Hamdy *(Egyptian)*	*(resigned with effect from 31/05/2019)*
Mr. Basel Nizameddin *(Syrian)*	
Mr. Mark Pfister *(South African)*	*(appointed with effect from 1/06/2019)*
Mr. Bosco Kirugi *(Kenyan)*	*(appointed with effect from 1/06/2019)*
Mrs. Oludewa Edodo-Thorpe	*(appointed with effect from 5/12/2019)*

Company Secretary

Uchenna Uwechia, Esq.

Senior Finance Manager & Treasurer

Adewale Vincent

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. Basel Nizameddin	*Director*
Mrs. Oludewa Edodo-Thorpe	*Director*

Company Profile

Who we are

GlaxoSmithKline Consumer Nigeria Plc (GSK) is 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. GSK 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 Affliation

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 at the 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, possibly 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 Cont'd

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 learning and development, we explore opportunities to place our employees on exchange programs and secondment 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 government regulations. We also place a 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 threats and risks of bribery and corruption.

GSK's Contract Manufacturing Agreement

In April 2019, GSK Nigeria announced a contract manufacturing agreement with Fidson Health Care Plc. With this decision, Fidson Healthcare PLC will contract manufacture five (5) formulations ("Products") for GSK Consumer Nigeria Plc. The number of formulations may potentially increase as the contract agreement progresses. This decision was reached after a comprehensive request for quotation (RFQ) process involving a number of local manufacturers in Nigeria was completed.

Working with a local contract manufacturer for the supply of our products, where practical, will build local expertise, transfer technical knowledge and improve local production capacities in the country. We believe this decision will allow us to build a more sustainable commercial business, enabling us to continue to strengthen our efforts in supporting access to our consumer health products, medicines and vaccines across Nigeria and West Africa.

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

Protocols

Esteemed Shareholders, Representatives of Regulators, Representatives of our External Independent Auditors, our Registrars, fellow Directors, gentlemen of the press, Representatives of Management and Staff, ladies and gentlemen. On behalf of the Board of Directors, I welcome you all to the 49th Annual General Meeting of our company. We are all confronted with the unusual consequences of Corona virus pandemic and its attendant Covid-19 disease. I however trust that we are all staying safe and keeping well.

I will like to appreciate our highly respected shareholders for your unwavering support, and my colleagues for their commitment in directing the affairs of our company in these very challenging times. The year 2019 was significantly more challenging than expected but our focus on operational excellence and innovation enabled us deliver on our business objectives. Please permit me to provide a review of the national business environment within which our company operated before laying before you the annual report and financial statements for the year ended December 2019.

Nigeria Business Environment

The year 2019 can best be described as a year of two halves, it began with the uncertainties behind the major general elections which impacted all sectors with a slow down in economic activities. The IMF revised its initial growth projection for Nigeria down to 2% with GDP growth projected to be driven by steady oil prices, moderate improvements in net exports and domestic demand.

The second half of the year was buoyed by the relative speed with which the new cabinet of the elected President was set up and fiscal, monetary and regulatory policy continuity. Nigeria also signed the African Continental Free Trade Agreement (ACFTA). These factors coupled with improved oil production and reasonably stable price; and the growth of the non-oil sector especially telecommunications and agriculture enabled the Nigeria economy beat the World Bank's GDP growth estimates.

The Nigeria economy grew 2.27% in 2019 compared with 1.9% in 2018 mainly driven by Q4 Year on Year growth.

Although economic growth beat estimates, the Nigerian business environment remained challenging with the continued congestion at the ports, reduced consumer disposable income and inflation driven by the closure of the nation's land borders to all imports and exports. Perhaps, the economy would have grown better but for the land borders closure.

The Capital Market

The economic and financial policies of the government contributed significantly to how investors behaved at the equity market viz-a-viz actions of the corporate organizations. Market Capitalisation opened at N11.721 trillion in January 2019, rose to N14.288 trillion by July, but ended at N12.958 trillion by December.

Primary market activity opened on a positive note with the Nigerian Stock Exchange (NSE) recording its first initial public offering (IPO) in four years - Skyway Aviation Handling Company (SAHCOL) Plc. 2019 also saw the listing of two of the leading telecommunications companies - MTN Nigeria Plc and Airtel Africa Plc on the Nigeria Stock Exchange which to a large extent led to the rise in market capitalization to the high point of N14.288 trillion. Other events of note that contributed in driving the market were the merger of two big banks and combination of two cement companies, and a few right issues.

The 2019 World Economic Outlook by the International Monetary Fund placed the Nigeria Capital market among the preferred emerging markets investment destinations for long term investors who are looking for higher yields and attractive returns on investment, especially in the more stable fixed income market.

The Healthcare Sector

The Government demonstrated its commitment towards improved healthcare delivery with Universal Healthcare Coverage (UHC) as a priority on its agenda. The federal allocation to the nation's health sector in 2019 stood at 4.1% - N365.77 billion, out of the country's annual budget of N8.83 trillion. This figure although lower than 2018 contained a mix of projects aimed at improving primary healthcare delivery in the country. The government also commenced the disbursement of the Basic Health Care Provision Fund (BHCPF) to the states. The BHCPF seeks to remove financial barriers to accessing primary healthcare, particularly for the poor and vulnerable in the country.

The Nigeria Centre for Disease Control was also funded to strengthen its epidemic preparedness and this has significantly prepared Nigeria to manage the coronavirus pandemic through its Emergency Operation Centers (EOCs) across different states in the country.

I am pleased to note that GSK Nigeria has lent its support to the management of the coronavirus pandemic in Nigeria with the donation of personal protective equipment (PPEs) to frontline health workers through the Nigerian Representatives of Overseas Pharmaceutical Manufacturers' (NIROPHARM) COVID-19 Support Fund and the Pharmaceutical Manufacturers Group of

Chairman's Statement Cont'd

Manufacturers Association of Nigeria's (PMG-MAN) COVID-19 Intervention Support.

I will also like to appreciate the gallant effort of our frontline health workers and volunteers who have demonstrated courage, resilience and a high level of professionalism in dealing with the Covid-19 cases.

GSK Nigeria partnered with Save the Children on the co-designing of the **IN**tergrated **S**ustainable childhood **P**neumonia and **I**nfectious diseases **R**eduction **I**n **NIG**eria project (INSPIRING). The project which is funded by GSK Global for 5 years aims at delivering a comprehensive and sustainable pneumonia reduction intervention package in two states in Nigeria - Lagos and Jigawa.

We are committed to complementing Government efforts in the healthcare sector as we believe that private sector -Government collaborations are needed for improved healthcare delivery in Nigeria.

GSK's Contract Manufacturing Agreement

In April 2019, GSK Nigeria announced a contract manufacturing agreement with Fidson Health Care Plc. This decision was reached after a detailed selection process that involved over 10 local manufacturers in Nigeria. Working with a local contract manufacturer for the supply of our products will build local expertise, transfer technical knowledge and improve local production capacities in the country. We believe that this decision will allow us to build a more sustainable commercial business that will strategically support access to our consumer health products, medicines and vaccines across Nigeria and West Africa.

Our Sustainability Drive

In 2019, we launched the "Panadol Toughie and Sensodyne Deep Clean campaigns" across different states of the federation. Through these campaigns, we have been able to offer solutions for tough pains and deepen oral hygiene among Nigerians.

In addition, we have sustained the commemoration of our Orange Day project, a project aimed at creating a plan that would leave a long-lasting impact in the host communities where we do our business. In the year under review, over 194 volunteers put in over 1,284 combined volunteering hours as they participated in the project. Across 17 State Hospitals in 12 states, GSK Nigeria employees created 17 play-pens filled with toys and educational items to provide a much more comfortable environment for infants and mothers while waiting to be attended. Furthermore, we drove behaviour change through the donation of 'swaddle packs' to incentivize mothers who complete the first year of their babies' routine immunization. Additionally, mothers were educated on the importance of completing their immunization routines to mitigate and reduce infant mortality.

It is interesting to note that staff volunteers at GSK Nigeria raised N2,294,348 (Two million, two hundred and ninety-four thousand, three hundred and fourty-eight naira) and 775 caregivers and 253, 800 infants benefited from the project.

Performance and Operating Results

Although healthcare delivery continued to face challenges in Nigeria, our performance in 2019 was better than 2018. It is instructive to note that 2019 was generally a difficult year for manufacturers in the country since economic growth remained sluggish amidst weak consumer spending. In summary, our Company's Turnover grew by 13% from N18.41 billion in 2018 to N20.76 billion in 2019, while profit after tax grew by 49% from N617.60 million to N917.11 million. This is an impressive result judging from the enormous challenges of the year.

As a result, our earnings per share rose to 77kobo in 2019 from 52kobo in 2018. The Board is pleased to recommend a dividend of N0.55k per ordinary share to be paid for the year ended 31st December 2019 to shareholders, if approved by our esteemed shareholders at this general meeting, subject to deduction of appropriate withholding tax. The dividend will be payable on 24 July 2020 to shareholders whose names are in the register as at 22nd June, 2020.

Board Matters

Esteemed shareholders, the Board and Management team of our Company has gone through some changes since the last Annual General Meeting. Mr. Kunle Oyelana, Mr. Mark Pfister and Mr. Bosco Kirugi were appointed as Managing Director, Executive Director and Finance Director respectively on the 1st of June 2019. Mr. Babatunde Lemo, OFR a Non-Executive director resigned from the Board with effect from 30th, June 2019, while Mrs. Oludewa Edodo-Thorpe was appointed as an Independent Non-Executive Director of the Company on the 5th of December 2019.

Mrs. Edodo-Thorpe is a corporate and investment lawyer, who graduated with a Bachelor's degree in Law with Honours from the University of Nigeria, Enugu Campus and a Master's Degree in Law, from the University of Lagos. She was called to the Nigerian Bar in 1979. She is currently the National Secretary of the National Coordinating Committee of the Shareholders' Associations- the body that coordinates the activities of the seven zones of the Zonal Shareholders' Associations. She is also a member of the Nigerian Bar Association (NBA), Capital Market

Chairman's Statement Cont'd

Solicitors Association and the International Bar Association (IBA). She has served the Nigerian Capital Market community in various capacities.

On behalf of the Board, I would like to thank Mr. Lemo for his immeasurable contributions, wish him success in all his future endeavours and welcome Mrs. Oludewa Edodo-Thorpe.

Future Outlook

Dear shareholders, the year ahead is predicted to be challenging globally and locally with disruptions driven by the corona virus pandemic. We have experienced the impact of this pandemic on global economy and trade; and in particular oil prices and the resultant reduction in the Nations foreign exchange (Forex) earnings. This coupled with the recently implemented VAT increase and inflation due to the continued border closure, and loss of jobs will increase pressue on consumer spending capacity. We however hope that government's efforts at stimulating the economy will create jobs, increasing spending, improve consumption and enhance the well being and improve living standards for the rest of 2020.

However I am confident that the leadership of Our company will rise up to the challenge by driving our strategic objectives that would make the business more efficient and profitable. This will be done while putting the health and well-being of our employees first.

Conclusion

Distinguished shareholders, I want to especially thank you again for your great support and remarkable commitment during the 2019 business year. Please be assured that GSK will continue to deploy appropriate business strategies and realign the company's objectives to focus more closely on wellness, oral healthcare and new businesses.

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 their consistent cooperation and support.

God bless GlaxoSmithKline; God bless Nigeria!

Thank you for your kind attention.

Mr. Edmund Onuzo
Chairman
10th of June, 2020
FRC/2015/IODN/00000011038

Board Members


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MR. EDMUND C. ONUZO, 71

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.

MR. KUNLE OYELANA, 48

Mr. Kunle Oyelana brings over twenty years' experience in the Pharmaceutical industry in GSK where he has held roles of increasing responsibilities across Africa and Asia. He has a track record of success in the development and effective implementation of robust strategies with a keen focus on delivering sustainable growth in diverse markets. As Commercial Director for the Classic Established Product (CEP) Portfolio for GSK in DC Africa Region, he ensured prioritization and provided stimulus for the over 40 markets in the Region to surpass 20% growth of key assets in a challenging environment.

As Marketing & Commercial Excellence Director for Nigeria and earlier for Kenya, he led the rapid deployment of Commercial Trade Channel initiatives, effective utilization of multiple channels and cross functional collaboration to deliver exceptional customer engagement and sustained business growth. Kunle has a strong focus and drive to deliver outstanding business performance while strengthening controls and developing talent.He holds a Bachelor of Pharmacy and an MBA from Obafemi Awolowo University in Nigeria. He is also an alumnus of Strathmore Business School in Kenya and IMD in Switzerland.

MR. SAMUEL KUYE, 66

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

MRS. LUBABATU BELLO, 63

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.

MR. BASEL NIZAMEDDIN, 49

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.

MR. MARK PFISTER, 48

Mark Pfister has over 21 years of extensive experience across FMCG, Consumer Healthcare and the Pharmaceutical industries in Africa with the last seven years being spent in West Africa with GSK. During this period, he has served as Enterprise General Manager for GSK Pharma and Consumer in Ghana & Other West Africa (OWA) between 2015-2018, as well as Commercial Director for Ghana & OWA in 2015 and as Marketing Director for Consumer Healthcare in Nigeria from 2011 to 2014.Mark holds a first degree in Physical Science and a post graduate Master of Business Administration degree from universities in South Africa.
He began his career as a medical representative for Novartis in 1996 after which he gained significant marketing experience at Cadbury South Africa prior to joining GSK Consumer Healthcare, South Africa as Product Manager on the OTC portfolio. His possesses core competencies in marketing and over the years, he has developed extensive experience in both marketing and commercial excellence until his appointment in 2018 as the General Manager, GSK Consumer Healthcare for Nigeria and West Africa.

MR. BOSCO KIRUGI, 39

Mr. Bosco Mutwiri Kirugi joined GSK in 2009 as a Senior Accountant - Receivables in Finance. Over the past ten years, he has held positions of increasing responsibilities in the Company including Finance Planning and Reporting Manager for GSK Southern Africa, Commercial Analytics and Insights Manager, and Commercial Finance Manager for GSK Kenya and Planning Manager for the Africa and Developing Countries of Asia region. In 2018 he was the acting Head of Commercial and Finance for Myanmar. Prior to joining GSK, he worked for Maersk Kenya Ltd. for four years.

Bosco is a holder of Bachelor of Commerce - Finance from Kenyatta University and Certificate in Business Accounting from the Chartered Institute of Management Accountants. He has received several awards at GSK including a Certificate of Recognition for leadership excellence in driving performance in 2017, General Manager's Award (Kenya) in 2015 and the Sales Excellence Award (Southern Africa) in 2013.

MRS. OLUDEWA EDODO-THORPE, 65

Mrs. Oludewa Edodo-Thorpe, a seasoned corporate and investment lawyer is a member of the Nigerian Bar Association (NBA), Capital Market Solicitors Association and the International Bar Association (IBA).
She joined the Nigerian Industrial Development Bank Ltd, (NIDB) now Bank of Industry Limited (BOI) after her national service and rose to increasing levels of responsibility until she was appointed the Company Secretary of NIDB Trustees Ltd (BOI Trustees Ltd) before disengaging from the Bank.
Apart from running a Firm of Legal Practitioners, she also doubles as the Chief Executive Officer of a Firm of Company Secretaries which handles the corporate meetings and compliance duties of many Companies. She was, until recently, a Non-Executive Director in Lafarge Africa Plc, where she served for nine years (September 2008 to June 2017). She was a member of Risk Management & Ethics Committee, and the Property Optimization Committee. She is currently serving the Nigerian Capital Market community as a member of the Multiple Subscriptions Committee of the Securities and Exchange Commission.

Management Team


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1 Kunle Oyelana (Managing Director)

2 Mark Pfister (General Manager CH)

3 Bosco Kirugi (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 Sherhyar Rao (Head of Marketing)

10 Soji Awotiwon (Head of Sales)

11 Abidoye Ohu (Country Manager, Ghana & OWA)

12 Sherifat Akinwonmi (Head of Technology)

13 Olukunle Adewusi (Head, Internal Audit)

14 Njenga Kamande (Head of Supply Chain)

15 Arit Onwusah (Regulatory Affairs Manager)

16 Isaac Ajayi (Security and EHS Manager)

17 Oluwafemi Olaogun (Procurement Manager)

18 Oluchi Ononiwu (Ethics and Compliance Manager)

19 Vasu Chetty (Medical Affairs Manager)

20 Hellen Kiilu (Quality Manager)

Sustainability Report

GlaxoSmithKline, a responsible company

At GSK Nigeria, we set out specific public commitments that together reflect the breadth of our contribution towards addressing the UN's Global Goals for Sustainable Development while delivering improved financial returns for our shareholders.

We report progress in **SDG 3, 5, 10, 12, 13 and 17** against these commitments each year in our Annual Report.

How we support the SDGs

SDG3 – Good Health and Wellbeing

The primary way in which we support SDG 3 is by using our science and technology to address health needs, and by making our products affordable and available. Using our science and technology to address health needs. The biggest impact that we can have on health is to successfully research and develop innovative products. Through our innovation we aim to develop differentiated, high quality, needed medicines, vaccines and consumer products to improve health.

We also have a responsibility to impact global health, particularly in the prevention and treatment of infectious diseases where we have world-leading scientific expertise.

We support global efforts to reduce the burden of HIV/AIDS, TB, malaria and neglected tropical diseases (NTDs), which disproportionately affect people in developing countries, through a range of R&D initiatives. In 2018, GSK topped the Access to Medicines Index for the sixth consecutive time, with specific recognition for having the largest proportion of our R&D pipeline dedicated to priority diseases.

Example of our work supporting SDG3 include:

Malaria: Our malaria vaccine RTS,S (Mosquirix), which aims to protect children from P. falciparum malaria, responsible for most malarial deaths worldwide, is in a World Health Organization (WHO)-led pilot implementation program in three countries in Africa- Ghana, Kenya and Malawi.

Access to vaccines: GSK has one of the most diverse vaccines portfolios in the industry, ranging from traditional childhood vaccines to newer vaccines with few other suppliers. We reserve our lowest vaccines prices for organizations such as Gavi, the Vaccine Alliance, delivering them millions of doses each year.

Access to NTD treatment: We have committed to donate approximately 600 million albendazole treatments to WHO each year until lymphatic filariasis (LF) is eliminated as a public health problem globally (8.5 billion donated over the last two decades). We have also committed to donate up to 400 million albendazole treatments to WHO through to the end of 2020 for deworming programs for school aged children.

Training frontline health workers: We have a longstanding investment in training frontline health workers in developing countries, in partnership with Amref Health Africa, CARE International and Save the Children.

SDG 5 and 10: Gender Inequality & Reduced inequalities

We aim for over 37% female representation in our senior roles globally by 2022. We have a program to support development and career progression for high-performing female managers, recruit and support women early in their careers and report progress on the proportion of women in SVP/VP and management level roles. Our female senior executive population is increasing as long-running programs to create a strong female pipeline deliver results.

In Nigeria, GSK relaunched the Women's Leadership Initiative (WLI) to promote and retain women by improving on 3 strategic focuses: growth, development, engagement, inclusion and diversity. This is consistent with our position as a modern employer that supports diversity and inclusion. In 2019, in celebration of International Women's Day, GSK Nigeria held a forum hosted by a panel of male and female senior executives from

Sustainability Report Cont'd

various globally recognized industries. The session sparked an open dialogue on female navigation journey and challenges to leadership, issues of gender pay gap and changing the narrative.

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 and more gender-balance in wealth

SDG 12 & 13 – Responsible Consumption & Production & Climate Action

Our goal is for all our waste to be repurposed for beneficial uses by 2030, avoiding harmful environmental impacts from landfill and keeping materials in circulation for use in new products. We have initiatives in place to reduce energy consumption, water-use reduction and waste management. Our activities are as follows:

Energy
Our outstanding energy conservation initiatives resulted in 4% reductions in energy consumption over target in 2019. Our plan to improve Overall Equipment Effectiveness (OEE) will further help reduce energy usage/carbon emission. GSK recorded an improvement in energy use in 2019 versus 2018 FY actual with 2.6million kWh of energy consumed in 2019 versus 2.7million kWh in 2018.

We also implemented the following key actions to reduce energy usage:

- Heating, Ventilation and Air Conditioning (HVAC) integration with the Building Management System (BMS) was integral to the optimization of energy use for general conditioning of production suites, meeting quality standards.
- Responsible use of skylights in the warehouse during day operations.
- Utilization of energy lights with motion sensor in strategic locations.
- Improvement in Overall Equipment Effectiveness (OEE), spurring timely meeting of production targets and energy conservation on shutdown days.

Water
We maintained continuous improvement in water conservation throughout 2019. Vacuum pump cooling water reuse heralded huge water saving. A total of 10,913 m3 of water was consumed in 2019 versus 20,362 m3 in 2018; which represents about 46% reduction

Waste
At GSK, we manage all projects and processes through their life-cycles in ways that protect and minimize impacts on the environment. While we are a zero waste to landfill company, we reduced our waste generation in 2019 by 90% versus the target of minus 5% over 2018 FY actual. The total waste to landfill for 2019 was 4,865kg versus 38,093kg plan for 2019 while site was able to send approximately 33,228kg to re-use. 95% of our waste is been re-used through a co-processing option with Geo-cycle (Lafarge Nigeria Plc) to ensure we are eco-friendly.

Safety
In 2019, the site target for reportable incident was 0.49 and the site achieved zero (0) reportable versus the target. This was achieved through weekly stop for safety on relevant topics identified on site as well as aggressive Zero Accident Promotion (ZAP) reporting.

SDG Goal 17: Partnerships for the Goals

We form diverse partnerships across academia and charitable institutions, in pursuit of ground-breaking innovation. Our global health work in support of SDG3 in Nigeria has been done in partnership with many organizations such as **Save the Children** and **SOS Children's Village.** We believe partnerships across companies, funders, governments and development NGOs spread risks and draw on each parties' unique expertise, offering the best route for global health discoveries to be incentivized, develop and brought to patients as rapidly as possible.

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 and 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, 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

World Pneumonia Day Campaign

Pneumonia is the single largest infectious cause of death in children under the age of 5 worldwide. Although concerted efforts such as vaccines and other preventative strategies are being deployed towards healthcare interventions, broader reforms are still required in the gaping Healthcare sector.

Furthermore, despite global efforts toward eradicating these diseases, Pneumonia and

Corporate Responsibility Report Cont'd

Diarrhea which claim more than 1.3 million child lives each year remain the leading killer diseases with roughly one in every 4 deaths of children under 5 years of age.

Over the years, GSK has been dedicated to leading actions against Pneumonia to create awareness and combat the disease. This year's World Pneumonia Day, marked on November 12th, presented an opportunity to focus on child health challenges around the world. The goal was to raise awareness about progress made towards eradicating Pneumonia, current obstacles faced as well as the promotion, prevention and treatment of the disease.

The year's initiative targeted parents of young children under the ages of 5 and was centered on 15 states with the highest number of unvaccinated children in Nigeria. There was a targeted focus on Northern Nigeria which has some of the worst health indicators in Nigeria with paradoxically worse health outcomes than the South.

As part of the approach, we partnered with Doctor Mariya Mukhtar Yola, Chief Consultant Pediatrician at National Hospital Abuja, to share knowledge and information on the causes, symptoms and prevention of Pneumonia through selected media channels nationwide.

We also collaborated with foremost social media influencers across key regions to further sensitise and drive awareness on the importance of vaccination. The campaign messaging was translated into various local Nigerian languages to ensure grassroot penetration and to educate people on the importance of vaccination for prevention, by taking action. The initiative reached an estimated total of 49,293,837 million people across 15 states in 6 geographical zones within 5 days.

By implementing this initiative, GSK engaged relevant stakeholders to ensure continuum of the right interventions to help shape sustainable healthcare strategies to combat a major killer of children under the age of 5 years, ultimately living up to our core mission of enabling people to do more, feel better and live longer.

World Antibiotics Week Initiative

Globally, antimicrobial resistance (AMR) has become a well-recognised public health threat in recent years, as such, several interventions to reduce its burden have been launched worldwide.

The challenges of AMR are by no means removed from Nigeria with the emergence of multidrug-resistant organisms that have led to increased mortality and an exponential rise in the economic burden.

To emphasise the prudency on the use of antimicrobial drugs in Nigeria, GSK launched an initiative during the 2019 World Antibiotics Week (18th - 24th November), a week set aside annually to increase global awareness of antibiotic resistance.

The implementation entailed communicating the proper usage of antibiotics while encouraging patients to always seek help from qualified healthcare practitioners. Through engaging communication materials and localized messaging, the initiative increased the understanding of antibiotic usage and resistance among Nigerians.

The campaign was effectively deployed through social media platforms nationwide and reached a total number of 719,995 stakeholders within the targeted audience.

Partnership with Save the Children:

We are partnering with Save the Children on a co-designed **IN**tergrated **S**ustainable childhood **P**neumonia and **I**nfectious diseases **R**eduction **I**n **NIG**eria project (INSPIRING). The project which is funded for 5years aims at delivering a comprehensive and sustainable pneumonia reduction intervention package in Lagos and Jigawa states.

Using our science for global health

GSK is one of the few companies using our science for global health with research of treatments and vaccines for all three diseases - TB, Malaria and HIV - which are called out in the UN Sustainable Development Goals. After more than 30 years, working in collaboration with PATH and others we have developed our Malaria RTS,S vaccine, this is the first vaccine to help protect children against the deadliest form of malaria, P. falciparum.

In 2019, the WHO-coordinated pilot implementation programme led by local ministries of health, and in partnership with PATH and GSK, launched in selected regions of Malawi, Ghana and Kenya. Every year until 2022, at least 360,000 children are expected to receive the vaccine. We have committed to donating up to 10 million doses and are undertaking additional post-approval pharmacovigilance, effectiveness and impact studies.

Corporate Responsibility Report Cont'd

Through ViiV Healthcare, we are researching new treatments for people living with HIV around the world. In a pioneering partnership with CHAI, Unitaid and two generic partners, we are working to accelerate the development and availability of optimal HIV treatments for children and adolescents.

Our Behaviour

All our business decisions are guided by our values of Transparency, Respect for People, Integrity and Patient focus. Our commitment to responsible value-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 the 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). This 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 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, and gender-balanced sports coverage.

The WLI global vision is to develop, promote and retain women by improving 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.

Orange Day

Orange Day project is an employee-led volunteering event that allows all GSK's employees to take a day off to volunteer with a charity or NGO partners. It is aimed at creating a plan that would leave a long-lasting impact in the host communities.

Since its launch in 2009, over 10,082 employees across GSK global have volunteered 119,069 hours in 72 countries. In 2019, the GSK Nigeria team deployed Project Embrace as the Orange Day theme for the year. This project was a disease awareness and behavioral change outreach aimed at educating caregivers on vaccine preventable diseases to improve health outcomes for at-risk infants.

The necessity of the initiative became apparent in Nigeria due to limited healthcare funding and insufficient communication approaches deployed to support vaccination interventions.

In line with GSK's mission, we strengthened knowledge in vaccine preventable diseases within our host communities by influencing stakeholders through behavioral change mechanism for mothers and caregivers of children below the ages of two years.

Project Embrace adopted a three-pronged mission approach to do more by creating an initiative that leaves a long-lasting impact on the lives of people. Additionally, helping people feel better by creating a much more comfortable environment for infants

Corporate Responsibility Report Cont'd

and mothers during the wait time in the hospital while helping people live longer by facilitating the reduction of infant mortality rates through education to drive the desired change.

Furthermore, behavior change was driven through the donation of 'swaddle packs' to incentivize mothers who had completed the first year of the infant's routine immunization. Caregivers were educated on the need for infants to complete the requisite immunization routines, largely to mitigate and reduce infant mortality.

In all, our GSK volunteers raised a total of £4,892.85 through a six-week staff-led fundraiser, entirely sponsored by employees. 1550 caregivers directly benefited while 253,800 infants were directly or indirectly impacted by the project through knowledge transfer and the creation of play areas in the hospitals.

In summary, over 194 staff volunteered 1,284 hours by implementing Project Embrace across 17 State Hospitals within 12 states. 17 play-pens filled with toys and educational items were also donated to all hospitals to provide a more comfortable environment for infants and caregivers while waiting to be attended.

Evidenced by this impact, we will continue to create and advance more innovative ways to engage our critical stakeholders and support the efforts of the government at all levels to help Nigerians feel better and live longer.

Pulse

Employee volunteering is interwoven into the fabric of our values. We encourage GSK employees to contribute to their local communities and we offer support to make the impact meaningful. Employee volunteering however, extends beyond giving to others. It equips our employees with new skills and experiences, often creating a deeper understanding of customers' needs, thereby giving our employees a different world view as change agents within and outside the organisation.

Through Pulse, our staff is 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 things differently as a result of PULSE - even 6 months after the GSK volunteer had left.

Since GSK launched PULSE- a skill-based volunteering initiative in 2009, 770 employees have volunteered with 127 NGOs to solve healthcare challenges with £27 million 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 the programme, fostering the spirit of volunteering and giving back across the company.

This has helped to connect 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.

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.

Corporate Governance Report

GlaxoSmithKline Consumer Nigeria PLC operates on high ethical and governance standards with a high commitment to engaging effectively and communicating with all 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 (FRC), 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 and the recent 2018 Nigerian Code of Corporate Governance (NCCG) (collectively referred to as "the Code").

To enable it to 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 8 directors, 5 of which are Non-Executive Directors and 3 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. Kunle Oyelana	Managing Director, (appointed wef 1st June 2019)
Mr. Samuel Kuye	Independent Non-Executive Director
Mrs. Lubabatu Bello	Independent Non-Executive Director
Mr. Basel Nizameddin (Syrian)	Independent Non-Executive Director
Mr. Mark Pfister (South African)	Executive Director, (appointed wef 1st June 2019)

Corporate Governance Report Cont'd

Name	Designation
Mr. Bosco Kirugi (Kenyan)	Executive Director, Finance (appointed wef 1st June 2019)
Mrs. Oludewa Edodo-Thorpe	Independent Non-Executive Director (appointed wef 5th Dec. 2019)

5. Record of Directors' Attendance

The Board held a total of 6 (Six) meetings during the year, five 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 2019 is available for inspection at the Annual General Meeting. Membership and attendance of Board meetings are set out below:

Name	07/03/19	25/03/19	02/05/19	22/05/19	25/07/19	28/10/19
Mr. Edmund C. Onuzo	✓	✓	✓	✓	✓	✓
Mr. Bhushan Akshikar (Indian)	✓	✓	✓	✓	CM	CM
Mr. Kunle Oyelana	NYM	NYM	NYM	NYM	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓	✓	✓
Mr. Tunde Lemo OFR	✓	X	✓	✓	CM	CM
Mrs. Lubabatu Bello	X	✓	✓	✓	X	✓
Mr. Kareem Hamdy (Egyptian)	✓	✓	✓	✓	CM	CM
Mr. Basel Nizameddin (Syrian)	✓	✓	✓	✓	✓	✓
Mr. Mark Pfister (South African)	NYM	NYM	NYM	NYM	✓	✓
Mr. Bosco Kirugi (Kenyan)	NYM	NYM	NYM	NYM	✓	✓
Mrs. Oludewa Edodo-Thorpe	NYM	NYM	NYM	NYM	NYM	NYM

KEYS: ✓ = present X = absent with apology 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 once during the year. The table below shows the members who served on the committee in 2019 and their attendance at the meeting.

Directors	06/03/19
Mr. Edmund C. Onuzo	✓
Mr. Tunde Lemo, OFR	X
Mr. Basel Nizameddin	✓

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

Corporate Governance Report Cont'd

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 2019).

Directors	28/01/19	07/03/19	25/07/19	28/10/19
Mr. K.A. Taiwo, FCA	✓	✓	✓	✓
Chief. S.O. Ogunnowo	✓	✓	✓	✓
Mr. Y. T. Mosuro	✓	✓	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓
Mr. Tunde Lemo, OFR	✓	✓	CM	CM
Mr. Basel Nizameddin (Syrian)	NYM	NYM	NYM	X
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 twice during the year. The table below shows the members who served on the committee in 2019 and their attendance at the meeting.

Directors	06/03/2019	23/10/2019
Mr. Samuel Kuye	✓	✓
Mrs. Lubabatu Bello	X	✓
Mr. Tunde Lemo, OFR	X	CM
Mr. Basel Nizameddin	✓	X
Mr. Mark Pfister	NYM	X
Mr. Bosco Kirugi	NYM	✓
KEYS: ✓ = present X = absent with apology CM = Ceased to be a Member 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 2019 and their attendance at the meetings.

Directors	06/03/19	18/04/19	23/07/19	28/10/19
Mr. Edmund Onuzo	✓	✓	CM	CM
Mr. Bhushan Akshikar	✓	✓	CM	CM
Mr. Kunle Oyelana	NYM	NYM	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓
Mr. Tunde Lemo, OFR	X	X	X	CM
Mr. Kareem Hamdy	✓	✓	CM	CM
Mr. Bosco Kirugi	NYM	NYM	✓	✓
KEYS: ✓ = present X = absent with apology CM = Ceased to be a Member NYM= Not yet a member				

Corporate Governance Report Cont'd

e. Administrative Committee

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

8. Separation of the position of the Chairman and CEO

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

9. Board Evaluation

For the year under review, GSK had engaged the services of an external consultant, DCSL Corporate Services Limited carried out an external evaluation of the Board and its finding was satisfactory while highlighting areas of improvement..

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. Samuel Kuye and Mr. Basel Nizameddin, who, being eligible, offer themselves for re-election. Details of their biographical details are contained in Page 12 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 13 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 NCCG and 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 which are in line with GSK's corporate values and expectations. These help to analyse corruption as a risk by asking the following:

- **Legitimacy of intent:** our activities, interactions and transactions have a valid purpose and are conducted in line with our values and expectations
- **Transparency:** everything we do is open, transparent and properly documented.
- **Proportionality:** transfers of value made, and resources invested meet but do not exceed the needs of the interaction or transaction
- **No conflict of interest or undue influence:** we do not exercise undue influence over those who interact with us. We avoid situations that create or appear to create conflicts of interest

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

Corporate Governance Report Cont'd

provide guidance on ongoing monitoring

- To identify potential corruption red flags and mitigate potential exposure to corruption risks that GSK encounters through our third party interactions.
- To ensure that key decisions related to third party selection and payment are appropriately documented.

15. Code of Conduct & Whistle Blowing

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

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

We updated the Code of Conduct periodically 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 disclosed in Note 23.2 to the Financial Statements in the Annual Report.

18. Regulatory Returns to the Securities & Exchange Commission (SEC), The Nigerian Stock Exchange (NSE) and the Corporate Affairs Commission (CAC)

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.

CAC:

- Annual Returns on Audited Financial Statements.
- Changes in Company officers.
- Changes in Share structure.

Contraventions if any during the year and details of sanction (s) imposed

The Company during the year was not found in contravention of any regulations of government or any regulatory Authorities and no sanctions were imposed on the company by any government or regulatory agencies.

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 N1,416,936,740.50 as at 31st December 2019.

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 2019 Annual Report*
- *A form for e-allotment was included in the 2008-2012, 2014 - 2016, 2017-2019 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 2019 Annual reports.*
- *Our Registrars (Greenwich Registrars and Data Solutions formerly GTL Registrars) has opened additional 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 Registrars carried out Shareholders engagements in some locations outside Lagos State for enlightenment and e-mandating of un-mandated shareholders.*

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 2020 and going forward. All shareholders are encouraged to fill out the e-dividend payment form attached to the Annual Report and return same to the Registrars for processing. Shareholders are strongly advised to contact the Company's Registrars or the Company Secretary to retrieve their unclaimed dividends.

Uche Uwechia, 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 10th day of June 2020.

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 67 to 68 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 related parties/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 international and local transfer pricing policies;

v. KPMG Advisory Services, the transfer pricing consultant 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. Nominees of the related party/interested person had recused themselves and did not participate in the decision of the Board in making this recommendation for the approval of the Shareholders;

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

ix. 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 "Group") is pleased to present the annual report together with the Group's audited consolidated financial statements for the year ended 31 December 2019 which discloses the state of affairs of the Group and Company.

1 Principal activities

The Group 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, Sensodyne, Andrews Liver Salt and Macleans and a range of internationally acclaimed pharmaceuticals, including Augmentin, Ampiclox and Amoxil (antibiotics); Zentel (the anthelmintic), and vaccines.

2 Operating results

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

In Thousands of Naira	Group		Company	
	2019	2018	2019	2018
Revenue	20,760,320	18,411,475	20,760,320	18,411,475
Profit for the year before taxation	1,169,332	1,160,154	1,178,281	1,160,824
Taxation	(252,227)	(542,530)	(252,227)	(542,435)
Profit for the year attributable to owners of the parent	917,105	617,624	926,054	618,389
Retained Earnings	8,503,734	8,183,448	8,331,091	8,001,857

3 Dividend

Your Board is pleased to recommend to members a dividend of N0.55k to be paid for the year to shareholders, representing 55k per ordinary share subject to the approval of shareholders. The dividend will be payable on 24 July 2020. Withholding tax at the applicable rate will be deducted at the time of payment and will be paid to the appropriate state or federal tax authorities.

4 Directors

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

Mr. Edmund Onuzo	Chairman
Mr. Samuel Kuye	Non Executive Director
Mrs. Lubabatu Bello	Non Executive Director
Mr. Basel Nizameddin	Non Executive Director
Mr. Kunle Oyelana	Managing Director (Appointed with effect from 1 June 2019)
Mr. Mark Pfister	Executive Director (Appointed with effect from 1 June 2019)
Mr. Bosco Kirugi	Finance Director (Appointed with effect from 1 June 2019)
Mrs. Oludewa Edodo-Thorpe	Non Executive Director (Appointed with effect from 5 December 2019)
Mr. Bhushan Akshikar (Indian)	Resigned with effect from 31 May 2019
Mr. Kareem Hamdy (Egyptian)	Resigned with effect from 31 May 2019
Mr. Tunde Lemo (OFR)	Resigned with effect from 30 June 2019

5 Board changes

Since the last Annual General Meeting, there have been some changes in the composition of the Board. Mr. Kunle Oyelana, Mr. Mark Pfister and Mr. Bosco Kirugi were appointed as Managing Director, Executive Director and Finance Director respectively on the 1st of June 2019. Also, Mrs Oludewa Edodo-Thorpe was appointed as an Independent Non-Executive Director of the Company on the 5th of December 2019.

Directors' Report Cont'd

In addition, Mr. Tunde Lemo, OFR, resigned his appointment from the Board with effect from 30th June 2019 to pursue other interests. Mr. Bhushan Akshikar and Mr. Kareem Hamdy also resigned with effect from 31st May 2019 as a result of the conclusion of their assignment in Nigeria.

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 appointments of Mr. Kunle Oyelana, Mr. Mark Pfister, Mr. Bosco Kirugi and Mrs. Oludewa Edodo-Thorpe as Executive Directors, Finance Director and Independent Non-Executive Director respectively.

6 Directors to retire by rotation

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

7 Directors' interest in share capital

The directors' interests in the Company's ordinary shares as at 31 December 2019 were as follows:

Name	Direct Holding	Indirect Holding	Total
Mr. Edmund C. Onuzo	113,210	11,170	124,380
Mr. Samuel Kuye	923	93,750	94,673
Mrs. Lubabatu Bello	-	-	-
Mr. Basel Nizameddin	-	-	-
Mr. Kunle Oyelana	-	-	-
Mr. Mark Pfister	-	-	-
Mr. Bosco Kirugi	-	-	-
Mrs. Oludewa Edodo-Thorpe	31	31	31

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 Group 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 2019.

10 Value of assets

Particulars of the changes arising from additions and disposal of fixed assets during the year are contained in Note 12 to the financial statements. Details of the other assets of the Group as at 31 December 2019 are given in Notes 13-18 to the consolidated and separate financial statements.

11 Analysis of shareholding

The issued and fully paid-up share capital of the Group 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 2019.

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

Directors' Report Cont'd

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

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 2019:

Shareholder	Number of shares held	% Holding
Setfirst Limited	326,593,793	27.31
Smithkline Beecham Limited	228,488,132	19.11
Stanbic Nominees Limited	161,329,864	13.49

13 Unclaimed dividends

The unclaimed dividend in the books of the company as at 31 December 2019 was N1,416,936,740.50. They were in respect of Payments 30 to 43 of the shareholders of GlaxoSmithKline Consumer Nigeria plc and its legacy companies. The Group continues to take steps in conjunction with the Registrars, to ensure the Shareholders receive their dividend.

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 educational initiatives and support for local civic and cultural institutions that improve the quality of life.

Our annual cash giving initiative was targeted towards providing a much more comfortable and relaxing environment for infants and their mothers during wait time across 17 hospitals in 12 states in Nigeria. 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 Group 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 Group invested in the training and development of its workforce through in-plant and external trainings (both local and overseas). Training areas include Leadership, Information Technology, Legal and Technical skills, as well as team-building initiatives.

The Group carried out periodic talent review to identify its existing talent pool as well as strengthen its human capital. In 2019, 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 Group 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 Group encourages two-way, open and honest communication with employees. Employees are encouraged to speak up whenever they have concerns. The Group has in place, a very

Directors' Report Cont'd

strong and elaborate confidential line reporting structure that enables employees to raise their concerns without fear of victimization or reprisal.

The Group's code of conduct for employees is based on the Group's core values of Transparency, Respect for others, Integrity and Patient Focus. Above all, the conduct of every employee is expected to achieve the Group'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 Group 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 Group 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 Group's workforce consists of a fair proportion of the genders and is drawn from diverse tribes and cultures within and outside Nigeria. The Group 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 Group 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 Group 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 Group regularly updates its staff on current issues as they relate to diseases including HIV/AIDS, Ebola, Asthma, Lassa Fever, Malaria, Cancer, Corona Virus and other serious diseases through health talks, health assessments and information sharing.

18 Major distributors

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

19 Suppliers

The Group 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 Group 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 Group'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 Group 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 Group 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

Registered office:
GlaxoSmithKline Consumer Nigeria plc
GSK House, 1 Industrial Avenue,
Ilupeju, Lagos.
28/04/2020

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 2019, 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 2019 were approved by the directors on 26 March 2020.

On behalf of the Directors of the Group.

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

Mr. Kunle Oyelana
Managing Director
FRC/2020/003/00000020395

Independent Auditor's Report

Report on the Audit of the Consolidated and Separate Financial Statements

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 2019, 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 2019 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 Group 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 Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current year. The matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matters	How the matter was addressed in the audit
Plant, Machinery and Equipment Impairment Assessment using the Value in Use (VIU) Method	

As disclosed in note 12 to the consolidated and separate financial statements, the net book value of Property, Plants and Equipment (PPE) stood at N2.062 billion as at 31 December 2019. In line with the provision of IAS 36- Impairment of Assets, the Directors carried out impairment assessment on the Company's Plant, Machinery and Equipment during the year to ensure that the carrying amount of the Assets was not lower than the recoverable amount.

The estimates with the most significant impact on the cash flow projections and recoverable amount computations were:

- The estimated cash flows were based on growth rate assumptions. Growth rate is highly subjective because it is based on the Directors' experience and expectations rather than observable market data.
- The discount rate, which is based on the weighted average cost of capital. The calculation of the weighted average cost of capital is complex.

Accordingly, for the purposes of our audit, we identified the impairment assessment of Agbara plants, machinery and equipment as a key audit matter.

In evaluating the impairment of property, plant and equipment, we reviewed the value in use calculations prepared by the Directors, with a particular focus on the growth rate, discount rate and cash flow projections. We performed various procedures, including the following:

- We involved our firm's internal valuation experts to assist with the testing of the forecast, weighted average cost of capital and discount rate. The specialist's procedures included:
  a. Assessing the appropriateness of the valuation methodology adopted by Directors for the purpose of assets impairment.
  b. Testing of inputs into the cash flow forecast against historical performance and in comparison to the directors' strategic plans in respect of the assets being impaired.
  c. Comparing the growth rates used to historical data regarding economic growth rates for the asset impaired.
  d. Recomputation of the value in use of the asset being impaired.
  e. Performed sensitivity analyses on the discount rates to evaluate the extent of impact on the value in use.
- Review the accuracy of the carrying amount used for impairment assessment.
- Ensure the appropriateness of the impairment disclosure in the financial statements.

Based on the work performed, we found the Directors key judgements and assumptions to be reasonable. Our audit review in respect of the impairment assessment did not result in any material misstatements.

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 consolidated and separate financial statements and our report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate 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.

Auditors' Responsibilities for the Audit of consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

Independent Auditor's Report Cont'd

Report on the Audit of the Consolidated and Separate Financial Statements

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.

Stella Mba,
FCA - FRC/2013/ICAN/00000001348
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
7 May, 2020

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 2019.

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/ICAN/00000002890
Lagos, Nigeria

Dated this **13th day of March 2020**

Members of the Audit Committee and the Company Secretary


Mr. K. A. Taiwo
(Chairman)


Mr. S. O. Kuye


Chief S. O. Ogunowo


Mr. S. T. Mosuro


Mr. B. X. Nizameddin


Mrs. O. E - Thorpe


Mr. Uche Uwechia, Esq.
(Company Secretary)

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

In Thousands of Naira	Notes	Group 2019	Group 2018	Company 2019	Company 2018
Revenue	5	20,760,320	18,411,475	20,760,320	18,411,475
Cost of sales		(14,708,020)	(12,483,324)	(14,708,020)	(12,483,324)
Gross profit		6,052,300	5,928,151	6,052,300	5,928,151
Investment income	7	227,587	380,537	227,587	379,410
Other gains and losses	8	151,327	194,313	150,801	194,313
Selling and distribution costs	6a	(3,328,165)	(3,096,566)	(3,328,165)	(3,096,566)
Administrative expenses	6a	(1,933,717)	(2,246,281)	(1,924,242)	(2,244,484)
		(4,882,968)	(4,767,997)	(4,874,021)	(5,341,050)
Profit before tax		1,169,332	1,160,154	1,178,280	1,160,824
Income tax expense	10.1	(252,227)	(542,530)	(252,227)	(542,435)
Total Profit after tax for the year		**917,105**	**617,624**	**926,054**	**618,389**
Other comprehensive income net of income tax:					
Items that will not be reclassified to profit or loss:			-		-
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		**917,105**	**617,624**	**926,054**	**618,389**
Profit for the year attributable to:					
Shareholders of the Company		917,105	617,624	926,054	618,389
Non-controlling interest		-	-	-	-
		917,105	617,624	926,054	618,389
Total comprehensive income for the year attributable to:					
Shareholders of the Company		917,105	617,624	926,054	618,389
Non-controlling interest		-	-	-	-
		917,105	617,624	926,054	618,389
Basic and diluted earnings per share (Kobo)					
From continuing operations	11	77	52	77	52
From continuing and discontinuing operations	11	77	52	77	52

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

In Thousands of Naira	Notes	Group 2019	Group 2018	Company 2019	Company 2018
Assets					
Non-current assets					
Deferred tax asset	10.3	80,845	-	80,845	-
Property, plant and equipment	12	2,062,756	2,358,860	2,062,756	2,358,860
Right of use assets	12.5	85,665	-	85,665	-
Investment property	12.6	159,164	-	159,164	-
Investment in subsidiary	13	-	-	160	160
Other assets	16	2,837	2,883	2,837	2,883
		2,391,267	2,361,743	2,391,427	2,361,903
Current assets					
Inventories	14	5,524,915	3,938,707	5,524,915	3,938,707
Right of return of asset	20.2	-	30,738	-	30,738
Trade and other receivables	15	6,844,854	5,740,325	6,843,962	5,740,325
Other assets	16	63,956	97,731	63,956	97,731
Cash and bank balances	17	3,860,346	3,388,944	3,860,298	3,388,944
Assets classified as asset held for sale	12.4	-	141,868	-	141,868
		16,294,071	13,338,313	16,293,131	13,338,313
Total assets		**18,685,338**	**15,700,056**	**18,684,558**	**15,700,216**
Equity and liabilities					
Equity					
Issued share capital	18.1	597,939	597,939	597,939	597,939
Share premium	18.2	51,395	51,395	51,395	51,395
Retained earnings		8,503,734	8,183,448	8,331,091	8,001,857
Total equity		9,153,068	8,832,782	8,980,425	8,651,191
Non-current liabilities					
Deferred tax liability	10.3	-	107,085	-	107,085
Total non-current liabilities		-	107,085	-	107,085
Current liabilities					
Trade and other payables	19	8,713,110	6,244,359	8,898,719	6,434,732
Contract liabilities	20.1	156,835	225,000	156,835	225,000
Refund liabilities	20.2	-	58,475	-	58,475
Bank overdraft	17	149,534	-	149,534	-
Income tax payable	10.2	512,791	232,355	499,045	223,733
Total current liabilities		9,532,270	6,760,189	9,704,133	941,940
Total liabilities		9,532,270	6,867,274	9,704,133	7,049,025
Total equity and liabilities		**18,685,338**	**15,700,056**	**18,684,558**	**15,700,216**

The consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 26 March 2020 and signed on its behalf by:

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

Mr. Kunle Oyelana
Managing Director
FRC/2020/003/00000020395

Adewale Vincent
Senior Finance Manager
FRC/2018/ICAN/00000018187

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 as December 31 2019

In Thousands of Naira	Share Capital	Share Premium	Retained Earnings	Total
Group				
At 1 January 2018	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
Dividend declared	-	-	(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
At 1 January 2019	597,939	51,395	8,183,448	8,832,782
Profit for the period	-	-	917,105	917,105
Dividend declared	-	-	(597,938)	(597,938)
Unclaimed dividend declared statute barred	-	-	1,119	1,119
At 31 December 2019	**597,939**	**51,395**	**8,503,734**	**9,153,068**

*** 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 2018	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
Total comprehensive income	-	-	618,389	618,389
Dividend declared	-	-	(8,969,073)	(8,969,073)
At 31 December 2018	597,939	51,395	8,001,857	8,651,191
At 1 January 2019	597,939	51,395	8,001,857	8,651,191
Profit for the period	-	-	926,054	926,054
Dividend declared	-	-	(597,938)	(597,938)
Unclaimed dividend declared statute barred	-	-	1,119	1,119
At 31 December 2019	**597,939**	**51,395**	**8,331,091**	**8,980,425**

Consolidated and Separate Statement of Cash Flows

As as December 31 2019

In Thousands of Naira	Notes	Group 2019	Group 2018	Company 2019	Company 2018
Cash flows from operating activities					
Profit for the year		917,105	617,624	926,054	618,389
Adjustment for:					
Income tax expense recognised in profit or loss		259,170	542,530	252,228	542,435
Depreciation of property, plant and equipment	12	350,736	377,724	350,736	377,724
Loss/(Gain) on disposal of property, plant and equipment	8	4,830	(5,716)	4,830	(5,716)
Interest on term deposits	7	(227,587)	(380,537)	(227,587)	(379,410)
Other adjustments to property, plant and equipment	12	1,149	-	1,149	-
Unrealized exchange loss/(gain)on operating activity	8	-	24,632	-	24,632
Impaired loss on assets held for sale	12.4	141,869	-	141,869	-
Net impairment of trade and other receivables	6	107,988	(14,723)	107,988	(14,723)
Working capital adjustments:					
Increase in inventories		(1,555,470)	(570,281)	(1,555,470)	(570,281)
(Increase)/decrease in trade receivables		(1,212,517)	1,149,047	(1,211,625)	1,149,047
Decrease in prepayments		33,821	593,334	33,821	593,334
(Decrease)/increase in contract liabilities		(68,165)	108,122	(68,165)	108,122
Increase in right of return of assets		(58,475)	(12,686)	(58,475)	(12,686)
Increase in refundable liabilities		-	24,126	-	24,126
Increase/(decrease) in trade and other payables		2,191,210	(2,769,960)	2,186,444	(2,561,482)
		885,662	(316,764)	883,797	(106,489)
Income tax paid	10	(166,663)	(305,647)	(164,845)	(305,647)
Net cash generated in operating activities		718,999	(622,411)	718,952	(412,136)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		7,068	36,385	7,068	36,385
Interest received	7	227,587	380,537	227,587	379,410
Purchase of property, plant and equipment	12	(312,509)	(597,129)	(312,509)	(597,129)
Net cash flows generated by investing activities		(77,854)	(180,207)	(77,854)	(181,334)
Cash flows from financing activities					
Final dividend paid to shareholders of the Company		(320,397)	(8,969,074)	(320,397)	(8,969,074)
Statute barred dividend received		1,119	-	1,119	-
Net cash flows used in financing activities		(319,278)	(8,969,074)	(319,278)	(8,969,074)
Net increase in cash and cash equivalents		321,867	(9,771,692)	321,820	(9,562,544)
Cash and cash equivalents at 1 January		3,388,944	13,309,649	3,388,944	13,100,501
Exchange loss/gain on cash and cash equivalents		-	(149,013)	-	(149,013)
Cash and cash equivalents at 31 December	17	**3,710,811**	**3,388,944**	**3,710,764**	**3,388,944**

Note to the Consolidated and Separate Financial Statements

For the year ended December 31 2019

1.1 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 period ended 31 December 2019 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 2019 comprise those of the Company only.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Glaxosmithkline Consumer Nigeria Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

These consolidated and separate financial statements for the year ended 31 December 2019 have been approved for issue by the directors on 26 March 2020.

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

In the current year, the Group has applied IFRS 16 that is effective for annual periods that begin on or after 1 January 2019.

Impact of application of IFRS 16 Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. It removes the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the requirements for lessor accounting have remained largely unchanged

The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

(a) Impact of the new definition of a lease

The definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4. The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group has carried out an impact assessment which has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on Lessee Accounting

(I) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

(a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position initially measured at the present value of the future lease payments;

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;

(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities)

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

Financial impact of the initial application of IFRS 16

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

In Thousands of Naira	1 January 2019
Assets	
Right-of-use assets	136,330
Property, plant and equipment	**136,330**
Prepayment rent	(136,330)
Total assets	**-**

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The discount rate applied is the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

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

Lease previously classified as finance leases

The Group had no lease classified as finance lease

Lease previously classified as operating leases

The Group recognized right-of-use assets for those leases previously classified as operating leases. The right of use assets primarily comprise property and reflect the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

As at 1 January 2019, the Company did not recognise any lease liability as all lease obligations were prepaid and there was no right of renewal on any contract which is probable of being exercised.

The new Standard has not had a material impact on the Group's Income statement or Cash flow statement.

ii) Impact of 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 prepayement. 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.

We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements

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

The amendment clarifes 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. We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

iv) 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

The Group has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes

The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

IFRS 3 Business Combinations

The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

IFRS 11 Joint Arrangements

The amendments 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 Group does not remeasure its PHI in the joint operation. We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

v) IFRIC 23 Uncertainty over Income Tax Treatements

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 willl accept an uncertain tax treatement 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 accountin 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.

We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated financial statements.

vi) 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 beginnning 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.

We have reviewed the amendments to the IFRS and this has no impact on the Group's consolidated 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 17	Insurance Contracts
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 and IAS 8	Definition of material
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

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

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impractical, in which case the modified retrospective approach or the fair value approach is applied. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

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 venture. Specifically, the amenments 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.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application 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.

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 Reclassification

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

3.2 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, 2019 and the requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and Finance Reporting Council (FRC) Act of Nigeria.

3.3 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.

3.4 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 2019.

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

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

The investments in subsidiary is valued at cost within the Company financial statements.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.8.1 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.

3.8.2 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.

3.8.3 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.

3.8.4 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.

3.8.5 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 and Interest income

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 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 Financial instruments — initial recognition and subsequent measurement

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.

3.13.1 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)

3.13.2 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).

3.13.3 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.

3.13.4 Effective interest method

The effective interest method calculates amortised cost by allocating the interest payment or expense over the relevant period.

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For the year ended December 31 2019

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.

3.13.5 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.

3.13.6 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.

(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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

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.

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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23 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.

3.24 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.

3.25 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.

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For the year ended December 31 2019

3.26 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 cost. 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

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated 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

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balance sheet date.

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

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.

Impairment testing

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available unobservable inputs that are developed based upon the best information available under the circumstances, which might include the Company's own data less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Some certain key assumptions has been used to determine the recoverable amount for the CGUs.

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.

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	**31 December 2019**	**31 December 2018**
Revenue from the sale of goods	20,760,320	18,411,475
	20,760,320	**18,411,475**

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:

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

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 Consumer Healthcare and Pharmaceuticals.

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.

In Thousands of Naira	Consumer Healthcare	Pharma-ceuticals	Non-Operating Income	Total
2019 Segment Results				
Revenue	6,277,983	14,482,338	-	20,760,320
Cost of sales	(3,710,293)	(10,997,727)	-	(14,708,020)
Gross Profit	2,567,690	3,484,611	-	6,052,300
Operating expense	(2,428,906)	(2,832,976)	-	(5,261,882)
Operating profit	138,784	651,635	-	790,418
Investment income	-	-	227,587	227,587
Other losses	332,639	(181,312)	-	151,327
Profit/(loss) before tax	**471,423**	**470,322**	**227,587**	**1,169,332**
Segment assets & liabilities				
Non-current assets excluding deferred tax	2,391,267	-	-	2,391,267
Net additions to non - current assets, excluding deferred tax	-	-	-	
Total non-current assets excluding deferred tax	2,391,267	-	-	2,391,267
Current assets	9,435,564	7,000,375	-	16,435,939
Total asset excluding deferred tax	11,826,831	7,000,375	-	18,827,206
Segment liabilities excluding deferred tax	9,158,096	516,043	-	9,674,139

In Thousands of Naira	Consumer Healthcare	Pharma-ceuticals	Non-Operating Income	Total
2018 Segment Results				
Revenue	6,457,521	11,953,954	-	18,411,475
Cost of sales	(3,595,964)	(8,887,361)	-	(12,483,324)
Gross profit	2,861,557	3,066,593	-	5,928,151
Operating expense	(3,139,515)	(2,203,322)	-	(5,342,837)

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

In Thousands of Naira	Consumer Healthcare	Pharma-ceuticals	Non-Operating Income	Total
2018 Segment Results				
Operating (loss)/profit	(277,958)	863,271	-	585,314
Investment income	-	-	380,537	380,537
Other gains and losses	22,054	166,535	5,715	194,303
Profit/(loss) before tax	**(255,904)**	**1,029,806**	**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**

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.

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.

5.3 Other Segment information

	Group & Company	
	Depreciation and Amortisation	
In Thousands of Naira	31 December 2019	31 December 2018
- Consumer healthcare	350,736	377,724
- Pharmaceuticals	-	-
	350,736	**377,724**

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 N14.32billion (2018: N11.19billion) contributing more than 90% of the Group's total revenue.

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

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

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Payroll costs	1,117,104	1,069,792	1,117,104	1,069,792
Electricity, fuel & utility	70,456	90,815	70,456	90,815
Repairs and maintenance - vehicles	8,523	31,491	8,523	31,491
Repairs and maintenance -others	16,583	22,595	16,583	22,595
Insurance	34,497	25,748	34,497	25,748
Depreciation	157,223	153,384	157,223	153,384
Rent and rates	46,178	66,900	46,178	66,900
Security & facility expenses	34,865	20,131	34,865	20,131
Canteen expenses	85	137	85	137
Freight cost	214,786	191,809	214,786	191,809
Travel and expenses	124,057	126,114	124,057	126,114
Telecom cost	25,183	73,764	25,183	73,764
Audit fees	23,500	19,710	22,500	19,210
Consultancy	122,129	177,046	113,654	177,546
Advert and promotion	908,390	923,408	908,390	923,408
Bank charges	44,245	87,252	44,245	87,206
Postage	-	5,579	-	5,579
Other office supplies	-	22,113	-	22,113
Other business expenses	161,569	79,469	161,569	77,718
Back duty assessment	-	247,975	-	247,975
Inter-departmental allocation	2,044,522	1,748,712	2,044,522	1,748,712
Impairment of receivables(recovery)/expense	107,988	158,903	107,988	158,903
	5,261,883	**5,342,847**	**5,252,408**	**5,341,050**

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
6a Expense by nature have been disclosed in the statement of comprehensive income as follows				
Selling and distribution	3,328,165	3,096,566	3,328,165	3,096,566
Administrative expenses	1,933,717	2,246,281	1,924,243	2,244,484
	5,261,883	**5,342,847**	**5,252,408**	**5,341,050**
6b Cost of Sales				
Materials consumed	14,444,876	11,081,586	14,444,876	11,081,586
Depreciation	193,512	224,340	193,512	224,340
Production overheads	69,632	348,771	69,632	348,771
	14,708,020	**11,654,697**	**14,708,020**	**11,654,697**
6c Employee benefits expense				
Wages and salaries	1,441,678	1,587,382	1,441,678	1,587,382
Defined contribution	68,699	65,754	68,699	65,754
	1,510,377	**1,653,136**	**1,510,377**	**1,653,136**

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For the year ended December 31 2019

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
7 Investment Income				
Interest income on short-term deposits	**227,587**	**380,537**	**227,587**	**379,410**
	227,587	**380,537**	**227,587**	**379,410**
8 Other gains and losses				
(Loss)/Profit from sale of property, plant and equipment	(2,483)	5,716	(2,483)	5,716
Realised foreign exchange gains	14,658	90,878	14,658	90,878
Unrealised foreign losses	(42,725)	(24,632)	(42,725)	(24,632)
Provision no longer required:				
Trade receivables	75,263	156,372	75,263	156,372
Other sundry (expense)/income	106,614	(34,021)	106,088	(34,021)
	151,327	**194,313**	**150,801**	**194,313**

9 Profit before tax

Profit before tax from continuing operation has been arrived at after charging/(crediting):

	31 December 2019	31 December 2018
Audit fees	22,500	19,210
Impairment on receivables (recovery)/ expense	107,988	(14,723)
Depreciation	350,736	377,724
Net foreign exchange (gain)/loss	28,067	66,246

10 Taxes

10.1 Income tax recognised in statement of profit or loss

	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Current income tax:				
Current tax expense in respect of the current year:				
Companies income tax	403,845	118,464	403,845	118,464
Adjustments in current tax for prior year(s)	-	305,647	-	305,647
Education tax	36,312	36,864	36,312	36,864
	440,157	**460,975**	**440,157**	**460,975**
Deferred tax:				
Origination and reversing temporary differences	-	-	-	-
Deferred tax expense/(write back)	(187,930)	81,555	(187,930)	81,460
	(187,930)	**81,555**	**(187,930)**	**81,460**
Total income tax recognised in profit or loss	**252,227**	**542,530**	**252,227**	**542,435**

Companies income tax is calculated at 30 per cent (2018: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended.

The charge for education tax of 2 per cent (2018: 2 per cent) of the estimated assessable profit for the year is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
10.2 Current tax liabilities:				
At 1 January	232,355	77,027	223,733	68,500
Tax charge in income statement:				
Charge in the current year	440,157	155,328	440,157	155,233
Back duty assessment	6,942	305,647	-	305,647
	679,454	538,002	663,890	529,380
Company income tax paid				
Education tax paid	(36,864)	-	(36,864)	-
Company income tax paid	(129,799)	-	(127,981)	-
Back duty assessment paid	-	(305,647)	-	(305,647)
At 31 December	**512,791**	**232,355**	**499,045**	**223,733**
10.3 Deferred tax balances:				
Reflected in the statement of financial position as follows:				
Deferred tax assets	(395,219)	(309,878)	(395,219)	(309,878)
Deferred tax liabilities	314,374	416,963	314,374	416,963
Deferred tax (asset)/liabilities	**(80,845)**	**107,085**	**(80,845)**	**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] Income	At 31 December
2019					
Property, plant & equipment	396,648	-	(82,274)	-	314,374
Property, plant & equipment	-	-	-	-	-
Impairment of receivables (Impact of IFRS 9)	20,315	-	(20,315)	-	-
Right of return asset	5,215	-	(5,215)	-	-
Provision for increase in stock write	(109,650)	-	64,711	-	(44,939)
Unrealised exchange loss	(131,848)	-	(128,977)	-	(260,825)
Impairment of receivables	(24,392)	-	(10,473)	-	(34,865)
Provision for returns of damaged goods	(49,203)	-	(5,387)	-	(54,590)
	107,085	**-**	**(187,930)**	**-**	**(80,845)**
2018					
Property, plant & equipment	-	-	396,648	-	396,648
Property, plant & equipment	-	-	-	-	-
Impairment of receivables (Impact of IFRS 9)	-	20,315	-	-	20,315
Right of return asset	-	5,215	-	-	5,215

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

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] Income	At 31 December
2018 Cont'd					
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)
	-	**25,530**	**81,555**	**-**	**107,085**

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
10.4 Reconciliation of income tax expense				
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax	**1,169,332**	**1,160,154**	**1,178,280**	**1,160,824**
Income tax expense calculated at 30% (2018: 30%)	350,799	348,046	350,799	348,046
Education tax	39,231	36,864	39,231	36,864
Effect of:				
Exempted income from taxation	(177,507)	-	(177,507)	-
Back duty assessment	6,942	305,647	-	305,647
Non-deductible expenses	428,155	-	428,155	-
Deferred tax	(159,451)	(148,027)	(159,451)	(148,027)
Others	(160,759)	-	(153,817)	-
Total income tax expense for the year	**327,411**	**542,530**	**327,411**	**542,530**
Effective tax rate	**28%**	**47%**	**28%**	**47%**

In Thousands of Naira	Group & Company			
11 Earnings Per Share	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Net profit attributable to ordinary equity holders of the parent from continuing operations **(N'000)**	917,105	617,624	926,054	618,389
Net profit attributable to ordinary equity holders of the parent from continuing and discontinued operations **(N'000)**	917,105	617,624	926,054	618,389
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	77	52	77	52
Basic and diluted earnings per share **(kobo)**- continuing and discontinued operations	77	52	77	52

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

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For the year ended December 31 2019

In Thousands of Naira **12 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 2018	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**
Additions	-	-	-	100,674	-	75,505	176,179
Transfers	-	19,827	335,520	(359,954)	4,607	-	-
Transfers to investment property	-	(216,250)	-	-	-	-	(216,250)
Disposals - drinks business (Note 12.1)	-	(31,607)	(194,043)	-	(113,918)	(8,138)	(347,706)
Disposals in the year	-	-	(221,380)	-	(239,893)	(174,089)	(635,362)
Adjustments	-	-	(20,818)	(75,708)	-	-	(96,526)
At 31 December 2019	**461,796**	**493,369**	**1,929,229**	**108,439**	**939,460**	**311,249**	**4,243,541**
Depreciation:							
At 1 January 2018	120,919	111,440	1,589,937	-	591,734	293,795	2,707,825
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)
Disposal	-	-	-	-	(255)	(30,800)	(31,055)
At 31 December 2018	**129,094**	**125,504**	**1,781,481**	**-**	**634,885**	**333,378**	**3,004,342**
Charge for the period	7,837	11,592	195,018	-	23,092	58,207	295,745
Transfer to investment Property	-	(52,761)	-	-	-	-	(52,761)
Disposals - drinks business assets removed from the books	-	(31,605)	(192,478)	-	(112,458)	(8,138)	(344,678)
Disposals in the year	-	-	(215,626)	-	(239,620)	(171,244)	(626,491)
Adjustments	(518)	1,183	(31,827)	-	(25,312)	(38,898)	(95,371)
At 31 December 2019	**136,413**	**53,912**	**1,536,568**	**-**	**280,588**	**173,305**	**2,180,785**
Net book value:							
At 31 December 2019	**325,383**	**439,457**	**392,661**	**108,439**	**658,873**	**137,944**	**2,062,756**
At 31 December 2018	**332,702**	**595,895**	**248,469**	**443,426**	**653,779**	**84,593**	**2,358,864**

12.1 The remaining assets of the Drinks business, that was sold in year 2016, were finally removed from the books during the current year have been shown separately with a Net Book Value of N3million.

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	Cost	Accumulated Depreciation	Net Book Value
Buildings	(31,607)	(31,605)	(1)
Plant and Machinery	(194,043)	(192,478)	(1,565)
Furniture, Fittings and Equipment	(113,918)	(112,458)	(1,460)
Motor Vehicles	(8,138)	(8,138)	(0)
Total	**(347,706)**	**(344,678)**	**(3,027)**

Adjustments represent Write off of items that do not meet the criteria for capitalisation of property, plant and equipment and are written off to the profit or loss in the year.

Adjustments to accumulated depreciation relates to corrections made to depreciation charged in prior year.

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

12.3 Capital commitments
Capital commitments in respect of property, plant and equipment amounted to N5.6million (2018: N198million).

12.4 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. However, the carrying value of the asset has been fully impaired in the current year.

In Thousands of Naira	Plant and Machinery
Cost	
At 31 December 2018	192,020
Additions	-
At 31 December 2019	**192,020**
Depreciation:	
At 31 December 2018	50,151
Charge for the year	-
Impairment	141,869
At 31 December 2019	**141,869**
Carrying Amount	
At 31 December 2018	**141,869**
At 31 December 2019	**-**

12.5 Right of use assets
The Group has applied the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into either before the date of initial application or after. In general, all leases within the scope of IFRS 16 are required to be brought on to the balance sheet by lessees, recognising a 'right-of-use' asset and a related lease liability at the commencement of the lease.

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In Thousands of Naira	Buildings
Cost	
At 31 December 2018	-
Additions	136,330
At 31 December 2019	**136,330**
Depreciation:	
At 31 December 2018	-
Charge for the year	50,666
At 31 December 2019	**50,666**
Carrying Amount	
At 31 December 2018	**-**
At 31 December 2019	**85,665**

12.6 Investment Property

In Thousands of Naira	Plant and Machinery
Cost	
At 31 December 2018	-
Transfers from property, plant and equipment	216,250
At 31 December 2019	**216,250**
Depreciation:	
At 31 December 2018	-
Charge for the year	4,325
Transfers from property, plant and equipment	52,761
At 31 December 2019	**57,086**
Carrying Amount	
At 31 December 2018	**-**
At 31 December 2019	**159,164**

Block 'A' building situated at GSK House, 1, Industrial Avenue, Ilupeju, Lagos State which has been owner-occupied since its acquisition in 2006 was leased on 11 January 2019. Therefore, the carrying amount of the building was reclassified to investment property from that date. The carrying amount of the building, from the date of reclassification, is being depreciated over its remaining useful life in line with IAS 40 Investment property.

12.7 Transfers

Transfers represent items of construction work in progress completed during the year and transferred to the respective class of asset.

12.8 Impairment loss

The Management carried out impairment assessment on Agbara Plant, Machinery & equipment with a net book value of N859.2million during the year. The recoverable amount was estimated based on the value in use of the assets using a discount factor of 9% (pre-tax). The assessment did not result to any impairment; hence no impairment loss was recognised in the current year relating to Property, Plant & Equipment (2018: nil).

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For the year ended December 31 2019

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
13 Investment in subsidiary				
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.

In Thousands of Naira	Group & Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
14 Inventories				
Raw materials and consumables	1,457,933	388,380	1,457,933	388,380
Work in progress	6,551	30,075	6,551	30,075
Finished goods	3,998,679	3,375,674	3,998,679	3,375,674
Engineering spares	61,752	144,578	61,752	144,578
Total	**5,524,915**	**3,938,707**	**5,524,915**	**3,938,707**

In Thousands of Naira	Group			Group		
	December 31, 2019			December 31, 2018		
	Consumer	Pharma	Total	Consumer	Pharma	Total
14.1 Inventories - By Segment						
Raw materials and consumables	1,457,933	-	1,457,933	388,380	-	388,380
Work in progress	6,551	-	6,551	30,075	-	30,075
Finished goods	782,977	3,215,702	3,998,679	929,614	2,446,060	3,375,674
Engineering spares	61,752	-	61,752	144,578	-	144,578
Total	**2,309,213**	**3,215,702**	**5,524,915**	**1,492,647**	**2,446,060**	**3,938,707**

The cost of inventories from continuing operations recognised as an expense and included in cost of sales amounted to N14.2billion (2018: N11.1billion).

The amount of inventories written off and included in cost of sales was N28million (2018: N14million).

In Thousands of Naira		Group & Company			
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
15 Trade and other receivables					
Trade receivables		4,637,272	3,285,797	4,637,272	3,285,797
Receivables from related parties	Note 21	1,902,247	2,295,530	1,902,247	2,295,530
Employee loans and advances		91,614	73,992	91,614	73,992
Other receivables		213,721	85,006	212,829	85,006
		6,844,854	**5,740,325**	**6,843,962**	**5,740,325**

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In Thousands of Naira	Group & Company	
	31 December 2019	31 December 2018
15.1 Trade receivables		
Trade receivables	4,746,224	3,362,023
Impairment loss	(108,952)	(76,226)
	4,637,272	**3,285,797**

Trade receivables are non-interest bearing and are generally on 60 day terms. The Group sells through distributors within Nigeria. The Group's policy states that a provision of 100% is made on all receivables over 360 days and other rates detailed in the tables below for invoices overdue for 181 to 360 days, 61 to 180days and 0 to 60 days bracket.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.

	Consumer Segment						
In Thousands of Naira	Current	1-30 days Overdue	31-60 days Overdue	61-90 days Overdue	91-180 days Overdue	181-360 days Overdue	361-720 days Overdue
Expected credit loss rate	0.007%	1.800%	3.500%	4.980%	5.940%	6.359%	100.000%
Estimated gross carrying amount at default	978,337	95,046	11,399	35,821	96,691	125	45,017
Twelve months ECL	72	1,711	399	1,784	5,743	8	45,017

	Pharmaceutical Segment - Private Companies						
In Thousands of Naira	Current	1-30 days Overdue	31-60 days Overdue	61-90 days Overdue	91-180 days Overdue	181-360 days Overdue	361-720 days Overdue
Expected credit loss rate	0.00009%	0.016%	0.057%	0.127%	0.232%	0.406%	100.000%
Estimated gross carrying amount at default	3,353,520	2,307	(42)	538	-	730	-
Twelve months ECL	3	0	(0)	1	-	3	-

	Pharmaceutical Segment - Public Companies						
In Thousands of Naira	Current	1-30 days Overdue	31-60 days Overdue	61-90 days Overdue	91-180 days Overdue	181-360 days Overdue	361-720 days Overdue
Expected credit loss rate	0.00%	13.02%	17.20%	28.74%	31.40%	38.98%	100.000%
Estimated gross carrying amount at default	29,214	1,320	21,768	11,123	2,057	30,570	34,535
Twelve months ECL	1	172	3,744	3,196	646	11,917	34,535

In Thousands of Naira	Group & Company	
	31 December 2019	31 December 2018
Movement in the allowance for doubtful debts		
Balance at 1 January	76,226	137,180
Adjustment upon application of IFRS 9	-	(63,485)
Additional provision	107,989	158,903
Recoveries	(75,263)	(56,372)

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

In Thousands of Naira	Group & Company	
	31 December 2019	31 December 2018
Write offs	-	-
Balance at 31 December	**108,952**	**76,226**
15.2 Other receivables		
Other receivables	213,725	67,752
Impairment loss for the year	-	17,254
	213,725	**85,006**

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

16 Other assets		
Advance to vendor	3,946	25,555
Prepaid rent	33,803	52,757
Prepaid insurance	17,290	22,289
Other prepayments	11,754	13
	66,793	**100,614**
Current	63,956	97,731
Non Current	2,837	2,883
	66,793	**100,614**

17 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 period 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:	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Current account balances	1,210,211	1,888,944	1,210,163	1,888,944
Short term deposit (45-60 days)	1,000,000	1,500,000	1,000,000	1,500,000
Restricted Cash (Note 20.1)	1,650,135	-	1,650,135	-
Cash and cash equivalents	3,860,346	3,388,944	3,860,298	3,388,944
Bank overdraft	(149,534)	-	(149,534)	-
	3,710,812	**3,388,944**	**3,710,764**	**3,388,944**

In Thousands of Naira	Group		Company	
18 Issued capital and premium	31 December 2019	31 December 2018	31 December 2019	31 December 2018
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

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

In Thousands of Naira	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
18.1 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
18.2 Share Premium	51,395	51,395	51,395	51,395
19 Trade and other payables				
Trade payables	457,415	494,189	456,695	493,397
Amounts due to related parties (Note 21)	4,782,953	3,500,724	4,977,609	3,705,084
Unclaimed dividends (Note 20.3)	1,286,175	583,305	1,286,175	583,305
Dividend payable	277,541	-	277,541	-
Pension payable	-	-	-	-
Other payables	482,216	255,732	482,140	247,808
Accruals	1,426,810	1,410,409	1,418,559	1,405,138
	8,713,110	**6,244,359**	**8,898,719**	**6,434,732**

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.

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.

In Thousands of Naira	Group & Company	
	31 December 2019	31 December 2018
20.1 Contract Liabilities		
Advance from customers	-	10,149
Trade incentives	156,835	214,851
	156,835	**225,000**
20.2 Right of return assets and refund liabilities		
Right to returned goods asset	-	30,738
Refund liabilities arising from rights of return	-	58,475

20.3 Unclaimed dividends

These are the amounts returned by the Registrar to the company in line with regulatory requirement.

In Thousands of Naira	Group		Company	
20.4 Pension Contribution	31 December 2019	31 December 2018	31 December 2019	31 December 2018
At 1 January	-	23,473	-	23,473
Addition during the year	71,568	65,754	71,568	65,754
Remittance to administrator	(76,199)	(65,754)	(76,199)	(65,754)
Write back	4,631	(23,473)	4,631	(23,473)
	-	**-**	**-**	**-**

21 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 2019 and 31 December 2018.

	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	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Subsidiary:										
Winster Pharmaceuticals Limited:	-	-	-	-	194,656	-	-	-	-	204,360
Other sister companies:										
GSK Pharmaceutical Nigeria Limited		-	-	-	756,602	257,242	-	-	756,602	257,242
GSK Biological Manufacturing Limited	-	118,123	-	-	8,357	36,349	-	-	8,357	36,349
GSK Consumer Healthcare S.A. Pty Ltd	-	-		21,333		-	-	21,333	-	-
GlaxoSmithkline Dungravan	-	-	-	-		-	-	-	-	-
GlaxoSmithKline Export Limited UK	10,964,613	8,632,908	950,289	-	4,022,138	2,871,062	950,289	-	4,022,138	2,871,062
GlaxoSmithKline Consumer Trading Services (JDE)	54,132	334,935	-	-	64,422	-	-	-	64,422	-
GlaxoSmithkline Uk Ltd Ph	-	-	-	-	-	-	-	-		-
GlaxoSmithkline Limited, Kenya	-	-	7,165	-	-	-	7,165	-		-
Gw South Africa Pty	-	-		-	93,670	92,186		-	93,670	92,186
GSK CTS Uk	1,098,036	245,836	922,187	-	-	243,885	922,187	-	-	243,885
GSK OPS UK Area	-	-	6,108	-	-	-	6,108	-	-	-
Inter Com - GlaxoSmithkline South Africa	-	-		-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Pte. Ltd.	-	-	16,498	2,247,702	-	-	16,498	2,247,702	-	-
GSK Pet Ltd Singapore	-	-	-	-	-	-	-	-	-	-
P.T. Sterling Products	-	-	-	26,076	-	-	-	26,076	-	-
GlaxoSmithKline Services Unlimited	-	-	-	419	32,420	-	-	419	32,420	-
Total	**12,116,782**	**9,331,802**	**1,902,247**	**2,295,530**	**4,782,953**	**3,500,724**	**1,902,247**	**2,295,530**	**4,977,609**	**3,705,084**

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

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

In Thousands of Naira	Group		Company	
21 Related party disclosures Cont'd	**31 December 2019**	**31 December 2018**	**31 December 2019**	**31 December 2018**
Receivable from related parties:				
Local	-	-	-	-
Foreign	1,902,247	2,295,530	1,902,247	2,295,530
	1,902,247	**2,295,530**	**1,902,247**	**2,295,530**
Payable to related parties:				
Local	756,602	257,242	756,602	257,242
Foreign	4,026,351	3,243,482	4,221,007	3,447,842
	4,782,953	**3,500,724**	**4,977,609**	**3,705,084**

There were no sales to related parties for the period ended 31 December 2019 (2018: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 as well as IT support services provided.

The Company received credit notes from the trading partners (GSK group) for pricing adjustment amounting to N1.5bIllion (2018: N2.2billion) applied to cost of sales in (Note 6b).

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 period ended 31 December 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2018: 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	
22 Compensation of key management personnel of the Group	**31 December 2019**	**31 December 2018**	**31 December 2019**	**31 December 2018**
Short-term employee benefits	201,842	168,184	201,842	168,184
Defined contribution	15,898	19,791	15,898	19,791
Total compensation paid to key management personnel	**217,740**	**187,975**	**217,740**	**187,975**

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 (2018: nil).

	Group & Company	
23 Directors and employees information	**31 December 2019 (in Numbers)**	**31 December 2018 (in Numbers)**
23.1 Employees		
Administration	31	53
Sales and distribution	22	24
Marketing	4	6
Production	68	48
	125	**131**

Winster Pharmaceuticals Limited does not have employees.

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

The number of employees of the Company, other than directors, who earned more than N900,000 in the year were as follows:

Naira			Group & Company	
			31 December 2019 (in Numbers)	31 December 2018 (in Numbers)
2,000,001	to	2,500,000	-	-
2,500,001	to	3,000,000	10	13
3,000,001	to	3,500,000	9	19
3,500,001	to	4,000,000	21	18
4,000,001	to	4,500,000	14	9
4,500,001	to	5,000,000	5	7
5,000,001	to	5,500,000	3	8
5,500,001	to	6,000,000	6	4
6,000,001	and above		57	53
			125	**131**

23.2 Directors

The remuneration paid to directors of the Group was:	**64,461**	**76,556**

Fees and other emoluments disclosed above (including pension contribution) includes amounts paid to:

	Group & Company	
	31 December 2019 (in Numbers)	31 December 2018 (in Numbers)
The Chairman	**8,612**	**8,133**
The highest paid director	**36,960**	**54,134**

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

Naira			Group & Company	
			31 December 2019 (in Numbers)	31 December 2018 (in Numbers)
-	to	1,000,000	5	3
1,000,001	to	2,000,000	-	-
2,000,001	to	3,000,000	-	-
3,000,001	to	8,000,000	3	4
8,000,001	to	9,000,000	1	1
9,000,001	to	30,000,000	-	-
30,000,001	and above		1	1
			10	**9**

24 Contingent liabilities

Legal claim contingency

The Group is currently involved in some civil actions in court either as defendant, co-defendant or as plaintiff including those arising from ex-employees actions after the divestment of the drinks business. The cases are at various stages of adjudication and our solicitors are adequately protecting and promoting our interest. The Group has a total contingent liability amounting to N64million (2018:N173million). Based on the facts, it is the opinion of the directors that the effect of the current actions will not be material.

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

25 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.

In Thousands of Naira	Liabilities		Assets	
	2019	2018	2019	2018
USD	4,534,329	1,304,906	2,311,888	-
GBP	102,420	-	28,511	40,174

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.

In Thousands of Naira	USD IMPACT		GBP IMPACT		OTHERS	
	2019	2018	2019	2018	2019	2018
	453,433	130,491	2,851	4,017	9,957	14,482

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

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and cash and short term deposit, including deposits with banks, amount due from related parties and staff loans.

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

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

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 (2019)	-	-	-	-	2,035,755	517,567	12	1,307,012	**3,860,346**
Cash in bank and short term deposits (2018)	10,256	-	785,611	-	864,448	172,705	33,349	1,522,575	**3,388,944**
Company									
Cash in bank and short term deposits (2019)	-	-	-	-	2,035,707	517,567	12	1,307,012	**3,860,298**
Cash in bank and short term deposits (2018)	10,256	-	785,611	-	864,448	172,705	33,349	1,522,575	**3,388,944**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment, the Group uses a single credit rating for all its customers.

Outstanding customer receivables are regularly monitored by the credit control unit and management conducts frequent reviews. Any shipments to major customers are generally within the credit limits approved by management based on the independent risk assessment of each customer. The credit terms to customers is short to ensure adequate monitoring and early detection of delinquency. At 31 December 2019, 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.

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.

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

In Thousands of Naira	On demand	3 to 12 months	Total
Group			
As at 31 December 2019			
Other current financial liabilities	-	-	-
Trade and other payables	-	8,713,110	8,713,110
	-	**8,713,110**	**8,713,110**
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**
Company			
As at 31 December 2019			
Other current financial liabilities	-	-	-
Trade and other payables	-	8,898,719	8,898,719
	-	**8,898,719**	**8,898,719**
As at 31 December 2018			
Other current financial liabilities	-	-	-
Trade and other payables	2,234,541	4,200,191	6,434,732
	2,234,541	**4,200,191**	**6,434,732**

All financial assets (trade and other receivables, and cash and short term deposits) are classified as loans and receivables.

All financial liabilities (trade and other payables) are classified as financial liabilities at amortised cost.

Financial instrument fair value estimation

a) Financial instrument fair value estimation

The Group holds a number of financial assets.

Fair values of financial assets and financial liabilities

Financial assets utilised by the Group during the years ended 31 December 2019 and 31 December 2018, 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)

Note to the Consolidated and Separate Financial Statements Cont'd
For the year ended December 31 2019

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 2019 and 31 December 2018. None of the financial assets and liabilities has been reclassified during the year.

in Thousands of Naira	2019 Carrying amount and fair value	2018 Carrying amount and fair value
Loans and receivables		
- Cash and bank balances	3,860,346	3,388,944
- Trade and other receivables (excluding non-financial assets)	4,637,272	3,285,797
	8,497,618	**6,674,741**
Financial liabilities		
- Trade and other payables (except non-financial assets)	**5,240,368**	**3,994,913**

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 period ended 31 December 2019.

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.

In Thousands of Naira	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade and other payables (Note 19)	8,713,110	6,244,359	8,898,719	6,434,732
Less: cash and bank balances (Note 17)	3,710,812	3,388,944	3,710,764	3,388,944
	5,002,298	2,855,415	5,187,955	3,045,788
Equity	9,153,068	8,832,782	8,980,424	8,651,191
Capital and net debt	14,155,366	11,688,197	14,168,380	11,696,979
Gearing ratio (Cap to Zero)	**35%**	**24%**	**37%**	**26%**

27 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.

28 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 2019 which have not been adequately provided for or disclosed in these financial statements.

Note to the Consolidated and Separate Financial Statements Cont'd

For the year ended December 31 2019

It is however worth noting that the COVID-19 pandemic and drop in global oil prices hav impacted the global economy in the months of March and April 2020 and the following are some of the impacts on our business:

a. Increase in cost of sourcing Forex due to the drop in the price of crude oil, which will put pressure on cost of production.

b. Increase in ancillary costs like ocean freight costs and inland transportation in the short-term which might likely increase cost of production.

Nevertheless, GSK is closely monitoring the COVID-19 pandemic and is supporting global and local efforts to tackle the virus.

Since the outbreak, we have been actively exploring ways to help, with our science and expertise, alongside protecting the health and wellbeing of our people and managing our global and local supply chains to support patients and consumers who depend on our products.

Management will continue to closely monitor and assess the full impact of COVID-19 and the above on our operations and respond to the unfolding situation appropriately with a view to mitigate the potential risks.'

29 Financial commitments

The Group makes use of letter of credits to import products used in the course of production and other materials. The total value of open letters of credit as at 31 December 2019 was N794.7million (2018:Nil).

30 Restructure of supply chain operating model

On 2 April 2019, the Group announced the approval of a restructuring of GSK's operating model to better serve Nigerian patients and consumers. The restructuring will be effective Q3 2021 and it involves working with local contract manufacturers for the supply of GSK's products, where possible. The local contract manufacturer selected by the Group is Fidson Healthcare Plc.

Other National Disclosure

Consolidated and Separate Statement of Value Added

	Group				Company			
	2019 N'000	%	2018 N'000	%	2019 N'000	%	2018 N'000	%
Turnover	20,760,320		18,411,475		20,760,320		18,411,475	
Other income	378,914		574,850		378,388		574,850	
	21,139,234		6,756,778		21,138,708		6,756,778	
Bought-in-materials								
- Local	(8,465,091)		(1,616,786)		(8,460,663)		(1,616,428)	
- Imported	(9,643,697)		(1,841,893)		(9,638,652)		(1,841,486)	
	(18,108,788)		(3,458,679)		(18,099,315)		(3,457,914)	
Value added	3,030,445	**100**	**3,298,099**	**100**	3,039,393	**100**	**3,298,864**	**100**
Applied as follows:								
Employees								
Salaries and benefits	1,510,377	50	1,653,136	50	1,510,377	50	1,653,136	50
Provider of funds								
Interest	-	-	-	-	-	-	-	-
Government								
Taxation	440,157	15	460,975	16	440,157	14	460,975	16
The Future								
Depreciation	350,736	12	377,724	11	350,736	12	377,724	11
Profit or loss account	917,104	30	617,624	19	926,053	30	618,389	19
Deferred tax charge / (credit)	(187,930)	-6	81,555	3	(187,930)	-6	81,460	3
	3,030,445	**100**	**3,298,099**	**100**	**3,039,394**	**100**	**3,298,864**	**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 December 31 2019

In Thousands of Naira	2019	2018	2017	2016	2015
Assets employed					
Non-current assets	2,391,267	2,361,743	2,314,920	2,123,895	13,874,242
Deferred tax asset	-	-	-	637,836	-
Net current assets/(liabilities)	6,761,801	6,578,124	14,857,167	14,282,986	1,128,663
Deferred taxation liability	-	(107,085)	-	-	(1,839,343)
Retirement benefits	-	-	-	(302)	(169,245)
	9,153,068	**8,832,782**	**17,172,087**	**17,044,415**	**12,994,477**
Financed by					
Share capital	597,939	597,939	597,939	597,939	597,939
Share premium	51,395	51,395	51,395	51,395	51,395
Retained earnings	8,503,734	8,183,448	16,522,753	16,395,081	12,345,143
	9,153,068	**8,832,782**	**17,172,087**	**17,044,415**	**12,994,477**
Turnover and Profit					
Turnover	20,760,320	18,411,475	16,089,728	14,384,785	15,391,585
Gross profit	6,052,300	5,928,151	4,479,568	8,966,411	5,425,772
Profit before interest charges and taxation	1,169,332	1,160,154	1,124,269	185,999	1,066,641
Interest charges	-	-	-	(108)	(1,040)
Profit before taxation	1,169,332	1,160,154	1,124,269	185,891	1,065,601
Taxation	(252,227)	(542,530)	(637,836)	2,192,254	(192,467)
Profit after taxation	**917,105**	**617,624**	**486,433**	**2,378,145**	**873,134**
Profit before taxation as a percentage of turnover	6%	6%	7%	1%	7%
Proposed dividend***	657,732	597,938	478,351	358,761	358,761
Dividend per share (kobo)	55	50	40	30	30
Earnings per share (kobo)	77	52	41	199	96

*** 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 December 31 2019

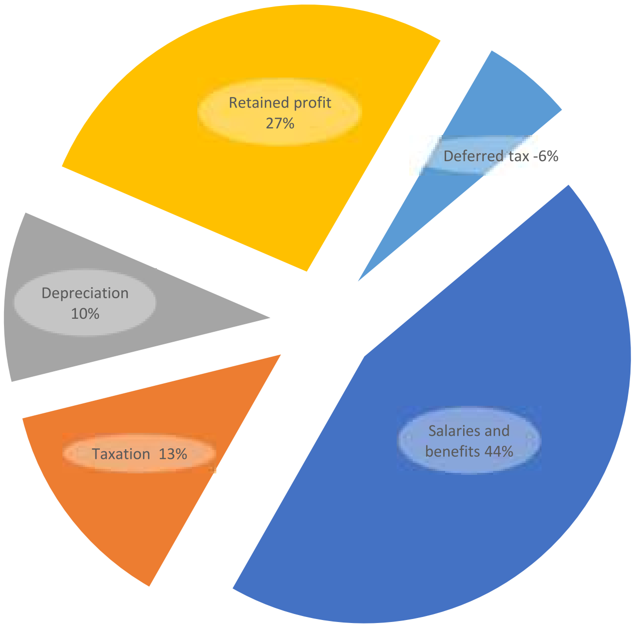
In Thousands of Naira	2019	2018	2017	2016	2015
Assets employed					
Non-current assets	2,391,427	2,361,903	2,315,080	2,124,055	13,874,402
Deferred tax asset	-	-	-	637,836	-
Net current assets/(liabilities)	6,588,998	6,396,373	14,665,137	14,092,089	1,128,663
Deferred taxation liability	-	(107,085)	-	-	(1,839,343)
Retirement benefits	-	-	-	(302)	(169,245)
	8,980,425	**8,651,191**	**16,980,217**	**16,853,678**	**12,994,477**
Financed by					
Share capital	597,939	597,939	597,939	597,939	597,939
Share premium	51,395	51,395	51,395	51,395	51,395
Retained earnings	8,331,091	8,001,857	16,330,883	16,204,344	12,345,143
	8,980,425	**8,651,191**	**16,980,217**	**16,853,678**	**12,994,477**
Turnover and Profit					
Turnover	20,760,320	18,411,475	16,089,728	14,384,785	15,391,585
Gross profit	6,052,300	5,928,151	4,479,568	8,966,411	5,425,772
Profit before interest charges and taxation	1,178,281	1,160,824	1,123,136	185,999	1,057,920
Interest charges	-	-	-	(108)	(1,040)
Profit before taxation	1,178,281	1,160,824	1,123,136	185,891	1,056,880
Taxation	(252,227)	(542,435)	(637,836)	2,192,254	(192,467)
Profit for the year	**926,054**	**618,389**	**485,300**	**2,378,145**	**864,413**
Profit before taxation as a percentage of turnover	6%	6%	3%	17%	6%
Proposed dividend***	657,732	597,938	478,350	358,761	358,761
Dividend per share (kobo)	55	50	40	30	30
Earnings per share (kobo)	77	52	41	199	96

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

Statement of Value Added

For the year ended December 31 2019

Salaries and benefits	50%
Taxation	15%
Depreciation	12%
Retained profit	30%
Deferred tax	-6%

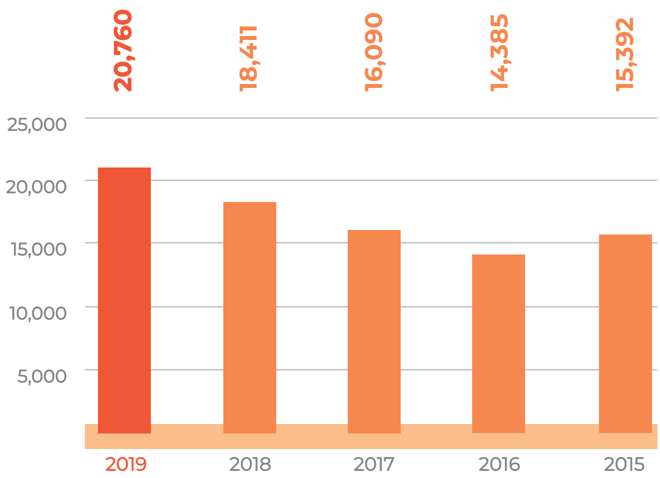


Five Year Financial Trend

For the year ended December 31 2019

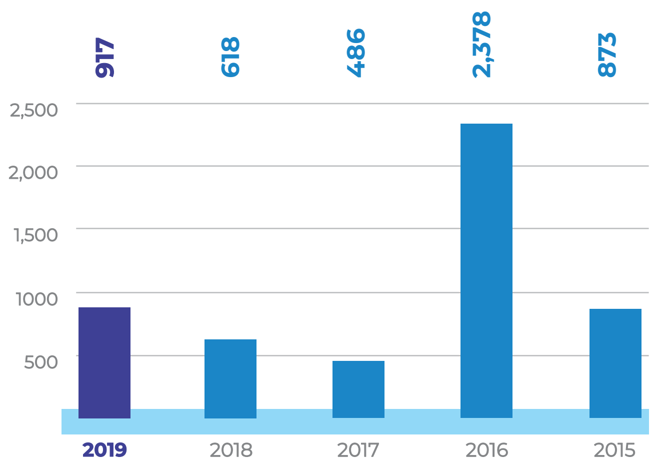
Turnover

(in millions of Naira)



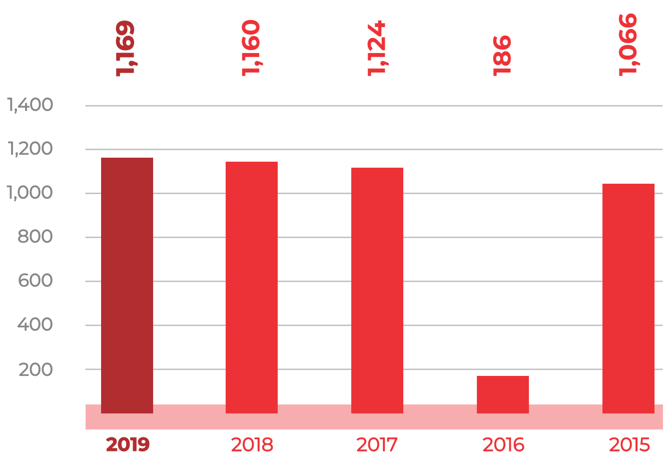
Profit After Tax

(in millions of Naira)



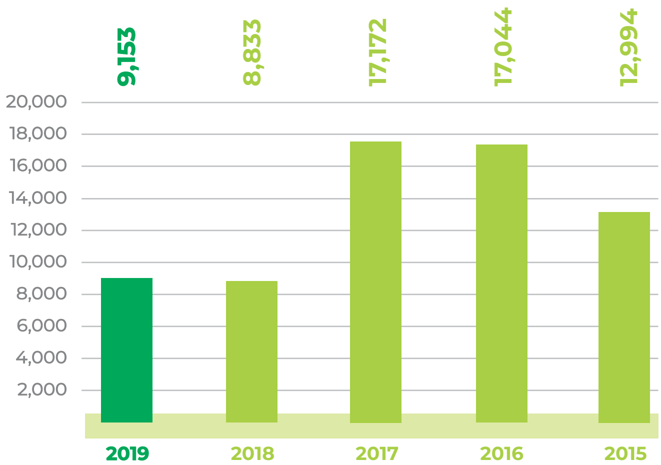
Profit Before Tax

(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	BONUS:1:1
1981	16,000,144	8,000,072	23,434,772	11,717,386	
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	BONUS:1:1
1984	32,000,176	16,000,088	46,869,544	23,434,772	
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	BONUS:3:4
1988	56,000,308	28,000,154	82,021,706	41,010,853	
1989	56,000,308	28,000,154	82,021,706	41,010,853	BONUS:1:2
1990	84,000,462	42,000,231	123,032,560	61,516,280	
1991	84,000,462	42,000,231	123,032,560	61,516,280	BONUS:1:2
1992	126,000,694	63,000,347	184,548,840	92,274,420	
1993	126,000,694	63,000,347	184,548,840	92,274,420	BONUS:1:1
1994	252,001,388	126,000,694	369,097,680	184,548,840	BONUS:1:2
1995	400,000,000	200,000,000	553,646,520	276,823,260	BONUS:1:5
1996	800,000,000	400,000,000	664,375,827	332,187,914	
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	BONUS:1:5
1999	800,000,000	400,000,000	797,250,992	332,187,914	
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	BONUS:1:5
2005	960,000,000	480,000,000	956,701,190	478,350,595	
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	BONUS 1:4
2016	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
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	
2019	1,500,000,000	750,000,000	1,195,876,488	597,938,244	

Shareholders' Information

For the year ended December 31 2019

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	5/22/2009
2009	32	717,525,892.50	0.75	5/26/2010
2010	33	1,148,041,428.00	1.20	5/25/2011
2011	34	1,148,041,428.00	1.20	5/25/2012
2012	35	1,243,711,547.00	1.30	5/24/2013
2013	36	1,243,711,547.00	1.30	6/12/2014
2014	37	717,525,892.50	0.75	6/12/2015
2015	38	358,762,946.40	0.30	7/5/2016
2015	39	717,525,892.80	0.60	10/12/2016
2016	40	358,762,946.40	0.30	7/1/2017
2017	41	8,490,723,064.80	7.10	5/25/2018
2017	42	478,350,595.20	0.40	5/25/2018
2018	43	597,938,243.50	0.50	5/24/2018

Unclaimed Dividend as at 31/12/2019

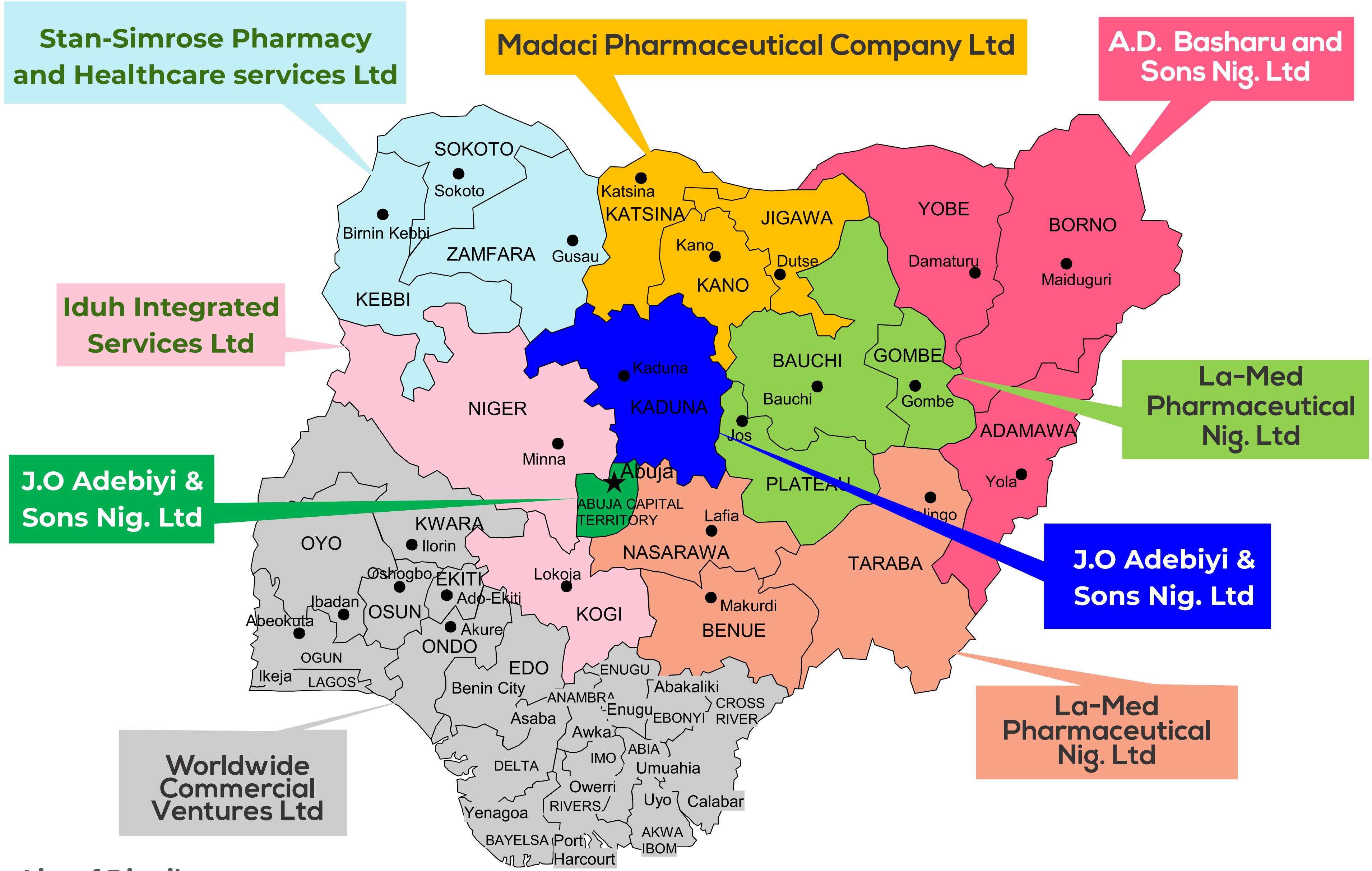
YEAR	AMOUNT UNCLAIMED (N)
2008	16,966,375.63
2009	22,865,753.52
2010	28,164,850.67
2011	108,338,261.40
2012	70,784,168.76
2013	75,461,897.16
2014	72,466,122.69
2015	39,256,989.47
2016	27,817,525.20
2016	53,907,845.10
2017	31,258,593.30
2018	763,133,400.25
2018	47,672,600.40
2019	58,842,356.95
TOTAL	**1,416,936,740.50**

For Unclaimed Dividend,

Contact:

The Managing Director
Greenwich Registrars and Data Solutions Limited,
274, Murtala Muhammed Way,
Yaba,
P.M.B. 12717,
Lagos.

GSK Distributors Footprint

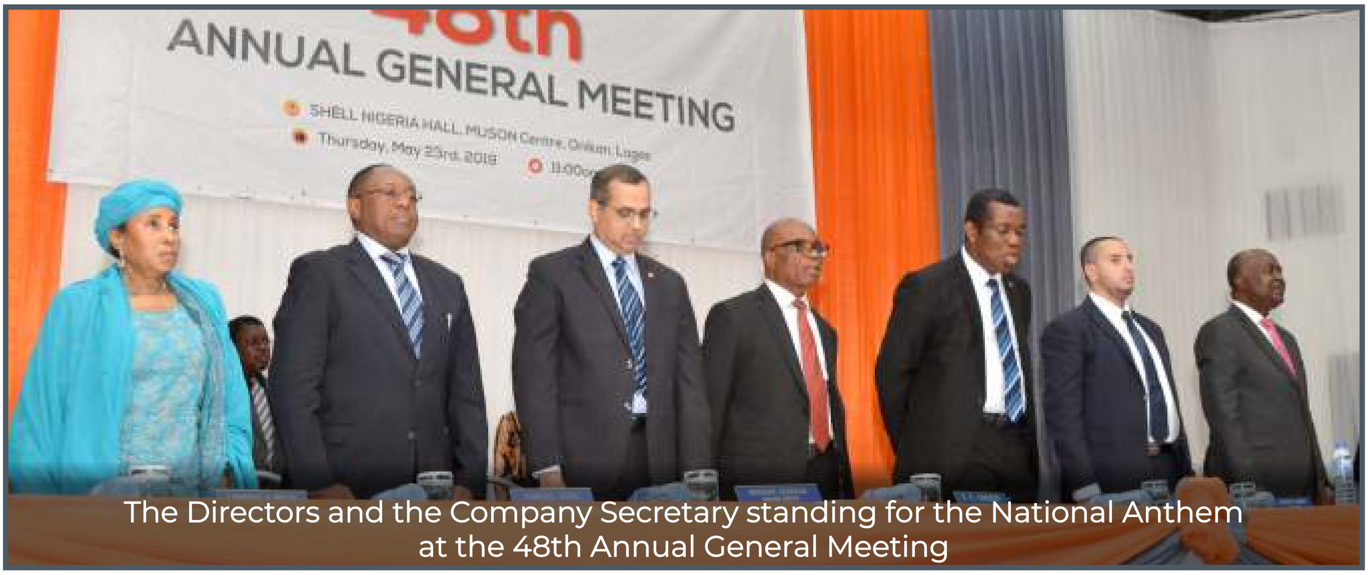


List of Distributors

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. La-Med Pharmaceuticals Nig. Ltd
6. Stan-Simrose Pharmacy and Healthcare Services Ltd
7. Iduh Integrated Services Ltd

2019 in Retrospect

GSK 48th Annual General Meeting



The Directors and the Company Secretary standing for the National Anthem at the 48th Annual General Meeting


Cross section of shareholders listening to the Chairman as he read his statement


Cross section of shareholders voting by show of hands at the 48th Annual General Meeting


The Registrars and the representatives of CAC, NSE and SEC at the 48th Annual General Meeting


Messrs. Taiwo Kashimawo, Yakubu Mosuro and Sunday Ogunnowo, elected shareholders representatives to the Statutory Audit Committee


Cross section of shareholders perusing the 48th Annual Report


Management and staff of GSK at the 48th Annual General Meeting

2019 in Retrospect Cont'd

Orange Day 2019


Management of GSK and the Administrator of Regina Mundi Hospital at the 2019 Orange Day engagement


GSK Leadership and gifts presented to the hospital at the 2019 Orange Day Event


GSK employees celebrating 2019 Orange Day

2019 in Retrospect Cont'd

Directors' Retreat & Sendforth

Mr. Mark Pfister, an Executive Director, making a presentation to the Board and Management at the 2020 Board Retreat & Strategy Session

Cross section of the Board and Management at the 2020 Board Strategy Session

Board, Management and guests at the send forth ceremony of the former Managing Director, Mr. Bhushan Akshikar and the Finance Director, Mr. Kareem Hamdy

Send forth for Mr. Tunde Lemo, OFR, a Non-Executive Director

Former Managing Director, Mr. Bhushan Akshikar and his successor, Mr. Kunle Oyelana

2019 in Retrospect Cont'd

Sensodyne Deep Clean Launch

Sensodyne Deep Clean unveiled by the Board of Directors to an excited crowd

Sensodyne Deep Clean trade launch and market storm

Open market display and win promotion

Sensodyne Deep Clean shopper promotion

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.

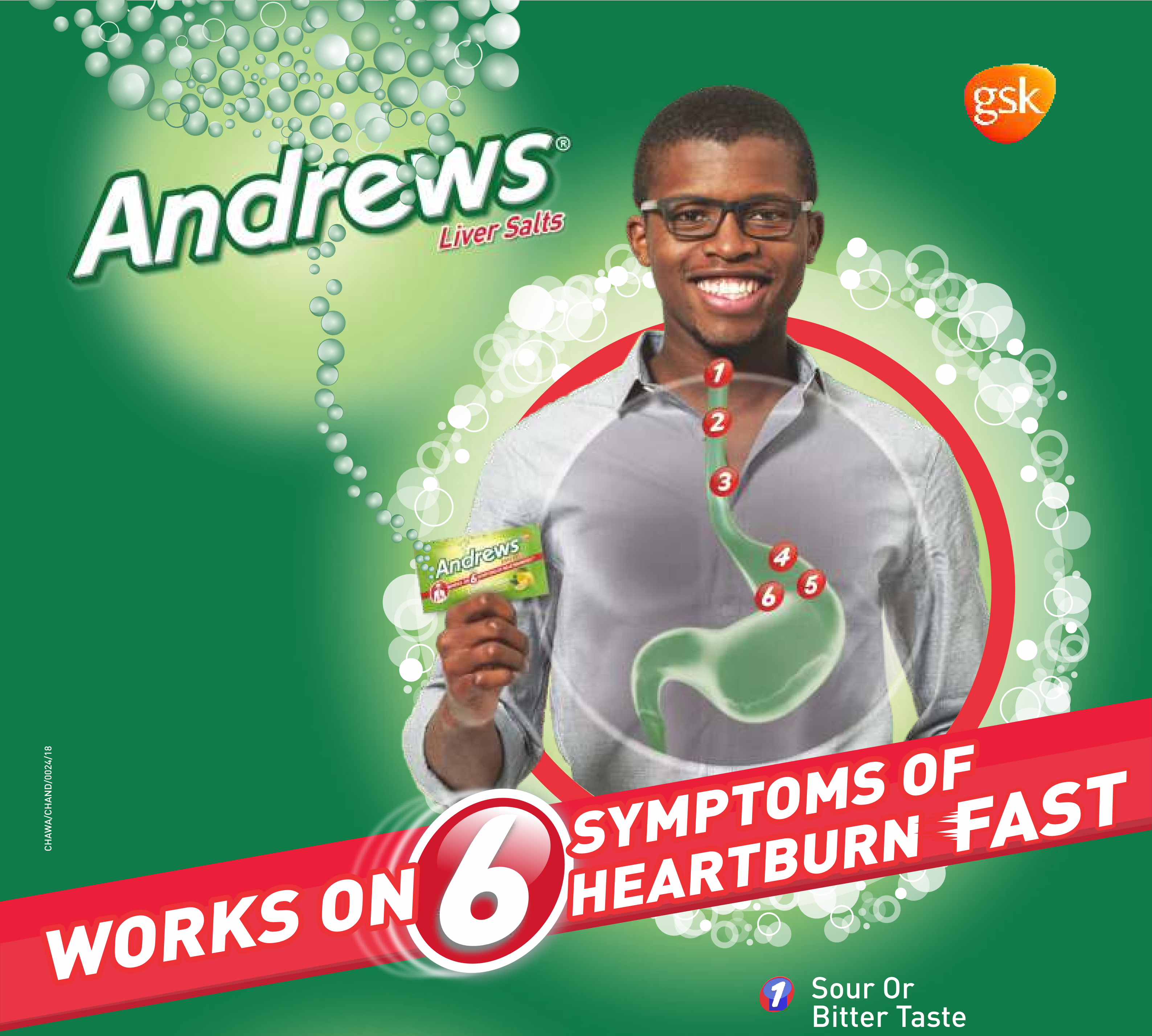
This is made possible with the e-Dividend Mandate Platform that allows you to register/validate your e-dividend at any bank branches nationwide or at any of the {name of registrar} Registrars offices.

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.gtlregistrars.com.

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.



1 Sour Or Bitter Taste

2 Burning Sensation In The Throat

3 Burning Sensation In The Chest

4 Burning Sensation In The Stomach

5 Stomach Discomfort

6 Heaviness
*Due to acid indigestion or gastric acid

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

49TH ANNUAL GENERAL MEETING OF
GLAXOSMITHKLINE CONSUMER NIGERIA PLC
TO BE HELD AT 11.00 A.M. ON THURSDAY, 23 JULY 2020
AT ITS HEAD OFFICE, GSK NIGERIA HOUSE,
1, INDUSTRIAL AVENUE, ILUPEJU, LAGOS.

I/We*...
being a member/members of **GLAXOSMITHKLINE CONSUMER NIGERIA PLC.;** hereby appoint Mr. Edmund Onuzo or failing him, Mr. Kunle Oyelana or failing him, Mr. Samuel Kuye or failing him, Mr. Matthew Akinlade or failing him, Sir Sunny Nwosu, or failing him Mr. Nornah Awoh, as my/our Proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on 23 July 2020 and at any adjournment thereof.

Dated this 1st day of June 2020

Signature ....

No of Shares:...

NOTES:

i. Further to the directive of the Federal and State Governments on the restriction on mass gatherings due to COVID-19 pandemic, the Corporate Affairs Commission has approved that the Annual General Meeting (AGM) be conducted through the use of proxies by shareholders of the Company. Members are therefore advised that attendance at the AGM shall only be by proxy. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his / her / its place. A proxy need not be a member of the Company. In view of the above, members should appoint a proxy of their choice from the following proxies to represent them at the meeting:

Mr. Edmund Onuzo		Mr. Kunle Oyelana	
Mr. Samuel Kuye		Mr. Matthew Akinlade	
Sir. Sunny Nwosu		Mr. Nornah Awoh	

ii Please sign this form and deposit it with the Registrar, Greenwich Registrars & Data Solution Limited, 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos, or via E-mail: proxy@gtlrgistrars.com not later than 48 hours before the commencement of the meeting. If executed by a corporation, this form should be sealed with its common seal.

Iii For the appointment of the proxy to be valid for the purposes of the meeting, the Company has made arrangements to bear the cost of stamp duties on the instruments of proxy

RESOLUTIONS	FOR	AGAINST	ABSENT
Ordinary Business (Ordinary Resolution)			
1. To declare a Final Dividend			
2. To elect / re-elect Directors:			
I. Mr. Kunle Oyelana			
ii. Mr. Mark Pfister			
iii. Mr. Bosco Kirugi			
iv. Mrs. Oludewa Edodo-Thorpe			
v. Mr. Samuel Kuye			
vi. Mr. Basel Nizameddin			
3. To authorize the Directors to fix the remuneration of the Auditors.			
4. To elect Members of the Audit Committee			
Special Business (Ordinary Resolution)			
1. To fix the remuneration of Directors			
2. To authorize the Company to procure goods and services necessary for its operations from related companies			

Please indicate with 'X' in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain/from voting at his/her discretion.

Proxy Form

GLAXOSMITHKLINE CONSUMER NIGERIA PLC 49TH ANNUAL GENERAL MEETING ADMISSION CARD

Please admit the shareholder on this form or his/her duly appointed proxy to the Annual General Meeting of the Company to be held at Imo Meeting Room, GSK House, 1, Industrial Avenue, Ilupeju, Lagos at 11.00 a.m. on Thursday, 23 July 2020.

....

Name of Shareholder/Proxy & Address Number of shares held

Signature of person attending : ....

Uche Uwechia, Esq.
Company Secretary

Note: *This card is to be signed at the venue in the presence of the Registrars*

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

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

do more
feel better
live longer

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

Notes

Anti-Bribery & Corruption Programme
- ABAC

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


CHUKWUDI
Empowering women in fish farming
HEADACHE
JOINT PAIN
BACKACHE
CHAWA/CHPAN/0047/18.
Panadol
Extra
Extra effective pain relief
Reduces fever
Gentle on the stomach
Paracetamol 500mg B.P. and Caffeine 65mg
10x10 CAPLETS
RELIEVES
• HEADACHE • BACKACHE
• JOINT PAIN • TOOTHACHE
• MENSTRUAL PAIN
Always read the label. Contains Paracetamol and Caffeine.
Not recommended for use during Pregnancy & For Children under 12 years.
If symptoms persist after 2 days consult your doctor