

GlaxoSmithKline Consumer Nigeria PLC.  
(RC 8726)



do more  
feel better  
live longer



# 2021 Annual Report & Financial Statements

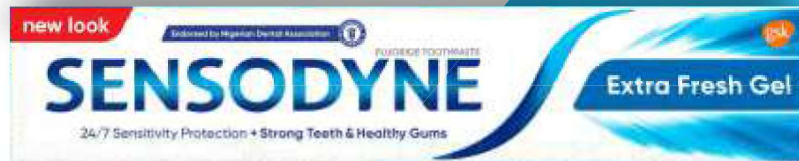


# NEW LOOK

## 24/7 SENSODYNE PROTECTION

- + STRONG TEETH
- + HEALTHY GUMS

\*with twice daily brushing





# For Effective Pain Relief



## RELIEVES

- HEADACHE • JOINT ACHE • BACKACHE
- 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



## 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



“

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.

”

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# Financial Highlights



Continuing Operations	2021 N'000	2020 N'000	% Growth
Revenue	22,449,824	21,295,249	5%
Gross profit	6,179,689	5,914,756	4%
Profit before tax	945,752	1,000,222	(5%)
Income tax expense	(286,941)	(377,992)	(24%)
<b>Profit after tax for the year</b>	<b>658,811</b>	<b>622,230</b>	<b>6%</b>
Discontinued Operations			
Share capital	597,939	597,939	0%
Shareholder's funds	9,299,450	9,118,990	2.0%
Earnings per share (kobo)	55	52	6%
Net asset per share	7.78	7.63	2.0%

# Notice of the 51st Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the **Fifty-First 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, 26th May 2022 at 11 o'clock** in the forenoon to transact the following business:

## ORDINARY BUSINESS

- To lay before the members, the report of the Directors and the Audited Financial Statements for the year ended 31st December 2021, together with the reports of the Auditors and Audit Committee thereon.
- To declare a Dividend.
- To elect/re-elect Directors.
- To authorize the Directors to fix the remuneration of the Auditors.
- To disclose remuneration of Managers of the Company
- To elect the members of the Audit Committee.

## SPECIAL BUSINESS

- To fix the remuneration of the Directors.
- 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 Nigerian Exchange rule 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 the Government's approved restrictions on public gatherings, 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. Mrs. Oludewa Edodo-Thorpe
5. Sir. Sunny Nwosu	6. Mr. Nornah Awoh
7. Mr. Kolawole Durojaiye	8. Mr. Adekunle S. Adedoyin
9. Ms. Ganiat Adetutu Siyonbola	

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, 27th May 2022 to holders of shares whose names appear in the Register of Members at the close of business on Friday, 22nd April 2022, 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 Monday, 25th April 2022 to Thursday, 5th May 2022, 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 404(6) of the Companies and Allied Matters Act (CAMA) 2020, 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 and the CAMA have 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 address 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 Nigerian Exchange Limited (NGX) 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 2021 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 2021 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 4th day of April 2022.

By Order of the Board

**Frederick Ichekwai**

Company Secretary  
FR/2018/NBA/0000018734  
GlaxoSmithKline Consumer Nigeria PLC  
GSK Nigeria House, 1, Industrial Avenue, Ilupeju,  
P.M.B. 21218, Ikeja, Lagos.  
Dated this 4th day of April 2022.



# Directors, Officers and Professional Advisers

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## Directors

Mr. Edmund C. Onuzo	<i>Chairman</i>
Mr. Kunle Oyelana	
Mr. Samuel Kuye	
Mr. Mark Pfister	
Mr. Bosco Kirugi	
Mrs. Oludewa Edodo-Thorpe	
Mr. Oussama Abbas	
Ms. Amina Salihu	<i>(appointed with effect from 28/05/2021)</i>

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## Company Secretary

Frederick Ichekwai

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## Senior Finance Manager & Treasurer

Adewale Vincent

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## 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

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## 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

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## External Auditors' Office

Deloitte & Touche, Civil Centre Towers,  
Plot GA 1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria  
Tel+234 (1)2717800

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## Bankers

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

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## Members of the Audit Committee

Mr. Kashimawo A. Taiwo	<i>Members' Representative (Chairman)</i>
Mr. Sunday O. Ogunnowo	<i>Members' Representative</i>
Mr. Yakubu T. Mosuro	<i>Members' Representative</i>
Mr. Samuel Kuye	<i>Director</i>
Mrs. Oludewa Edodo-Thorpe	<i>Director</i>

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# 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:

## History and Affiliation

GlaxoSmithKline Consumer Nigeria Plc (GSK), an affiliate of GlaxoSmithKline worldwide, was incorporated in Nigeria on 23rd June 1971 and commenced business on 1st July 1972, under the name Beecham Limited. Its Head office is located at 1, Industrial Avenue, Ilupeju, Lagos.

The Company was quoted on the Nigerian Stock Exchange in 1977. In 1982, in order to expand our operations in the country, an ultra-modern drinks factory was established 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 retained 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 and Voltaren.

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



## Company Profile Cont'd

### 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 behavior, Our people and 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 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 of 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.

GSK is now able to report that this process of changing its business model in Nigeria from self-manufacturing at its Agbara Site to Contract Manufacturing Organization (CMO) with Fidson Healthcare Plc has now been completed with the successful transfer of its manufacturing technology for production of Panadol Extra and Panadol Pain & Fever as well as Andrew Livers Salt. This is in line with the regulatory requirement for pharmaceutical companies to intentionally pursue local production of pharmaceutical products currently being imported.

### Value-add to Society

At GSK, we believe that 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

Distinguished Shareholders, Representatives of our Regulators, Representatives of our External Independent Auditors, our Registrars, Fellow Directors, Representatives of Management and Staff, the Press, Ladies and Gentlemen. On behalf of the Board of Directors, I welcome you all to the 51st Annual General Meeting of our Company.

It is pleasing to see how well the world is gradually moving beyond the challenges of the Covid-19 pandemic, a clear attestation to outstanding human resilience and use of science. The world is gradually returning to the old ways of working especially with global trade and travels. Within the context of this return, we have also experienced an exceptional adoption of new ways of working, doing business and delivering valuable care to customers and patients.

Fellow shareholders, permit my use of this moment to express my sincere appreciation to you all for your unflinching support. Similarly, I wish to also appreciate my colleagues who have consistently exhibited best in class agility and have adjusted very well to the new realities of a post-covid-19 pandemic world.

Our company's culture which encourages and embraces innovation, agility, and dedication to satisfying customers and patients has kept us focused on achieving our business objectives during a very challenging year. It enabled us to evolve and deploy customer and patient-focused solutions that have delivered efficiency gains and growth in a recovering economy.

Ladies and gentlemen, I hereby present a review of the national business environment in which we operated before I give an account of our financial performance and annual report for the year ended December 2021.

## Nigeria Business Environment

As was noted with other commodity-based emerging and developing countries, the year in review was a mix of growth amidst challenges. With lockdown measures ended in most states of the country in 2021, Nigeria's GDP grew out of negative 1.9% to 4.03% in Q3 2021, according to the Nigerian Bureau of Statistics. Like most OPEC

countries, GDP growth was majorly driven by improved prices of crude oil which averaged at \$69.9/as at the end of 2020 to \$81.4 by Q4 2021.

The Nigerian economy recovered from the previous year's recession and low output growth; however, this growth was attenuated by inflationary pressures all through 2021 with Consumer Price Index (CPI) reaching a record of 18.2%y/y in 2021.

During the year, businesses had to deal with the increasing security challenges plaguing the Nation and foreign exchange scarcity. However, the market was quite active, with the Central Bank adopting several policies in addition to the Eurobond operations which have helped the overall foreign exchange reserves of the country.

The emergence of new Covid-19 variants also posed a bump in the economic recovery process with the implementation of travel bans by some countries. However, the government continued its fight against the outbreak by creating awareness and improving Covid-19 vaccination levels with vaccines from multilateral donors.

Healthcare delivery also experienced some major changes which were driven by the accelerated use of digital technology in evolving new ways of engaging patients and healthcare professionals. We saw a rise in remote engagements, telemedicine, investments in local pharmacy chains for improved national drugs distribution and significant government intervention funding of the healthcare sector. The accelerated use of digitalized system solutions has come to stay, and businesses focused on improved productivity as they adhere to this new normal.

The successful implementation of multiple government interventions aimed at growing the capacity of the local pharmaceutical manufacturing sector buoyed this sector. Important to note, is the Central Bank of Nigeria (CBN) N100 billion Pharmaceutical Intervention Fund, the successful disbursement of this fund has enabled technology transfer and capability development of the Nigeria pharmaceutical industry. The CBN intervention also included the provision of funds for local research by institutions

## Chairman's Statement Cont'd

and companies operating in Nigeria. This was another major stimulus that has helped the backward integration of pharmaceutical raw materials and growth of research in the local pharmaceutical industry.

It is encouraging to note that the Nigerian government is constantly adopting different mechanisms to diversify the Nigerian economy from the single-minded posture that largely depends on oil revenue for foreign exchange.

Whilst we appreciate the efforts of the Government, it is important to enjoin them to maintain the focus on improving the operating environment with more policies aimed at providing a more conducive environment for businesses to thrive.

### The Capital Market

The year started with great optimism as investors sought high dividend-yielding stocks against unappealing fixed-income yields. Major changes in the government fiscal policy plans like the re-opening of the ECOWAS borders and the economy prompted increased commercial activities and drove positive enthusiasm in the Nigerian capital market.

The Nigerian Stock Exchange All Shares Index (NSEASI), which is an indicative performance benchmark rose by 6.07% by December 2021. This showed that the market surpassed the nation's GDP growth by 2.04% and the market earned a total of 42,716.44 points as against 40,270.72 in the year 2020.

The high point in Public Issuance was the equities offer for sale of about 575 million ordinary shares to retail investors by MTN Communication Nigeria Plc. This offering provided the much-needed boost for the equities public offering market which had been very quiet for some time now.

The market was further shaped by rising crude oil prices, inflationary pressures, exchange rate disequilibrium, interest rate movement, and improved fundamentals of listed companies.

The Nigerian Stock Exchange continues to support fast-growth companies and attract start-ups into the capital market. The NSE Growth Board initiative offers start-ups more flexible listing options, relaxed eligibility requirements, and less regulatory burden in terms of post-listing obligations. We hope that the desired growth in the economy through this initiative is achieved.

### The Healthcare Sector

In 2021, the Healthcare sector had its fair share of challenges – the growing national security challenge took its toll on this sector; coupled with repeated labour strike actions of resident doctors and other health care providers, Covid-19 pandemic and new variants, and the growing brain drain of healthcare professionals.

Commendably, the Nigerian government has maintained its improved funding of the healthcare sector with the disbursement of the Basic Health Care Provision Fund (BHCF) which is geared towards improving universal healthcare coverage. The government was also quick to ensure the country was not short of proper and effective vaccination to curtail the spread of the Covid-19 virus.

The country received 65.8 million doses of the Covid-19 vaccine shipped via the COVAX facility, a partnership between CEPI, GAVI, UNICEF, and WHO; 3.5m doses from other sources and recently 859,000 from the Japanese government. More than 27 million doses are in the pipeline in the next few months.

The partnership via COVAX is part of the measures aimed at ensuring equitable distribution of Covid-19 vaccines globally.

I am very pleased to tell you that your company is committed to fulfilling its promise and primary goal of making people do more, feel better and live longer. This mission has guided our innovations and ensured the realization of expected results in every area of our activities. To further facilitate the process of achieving our objectives in this regard, we have partnered with notable institutions whose goals are aligned with ours.

Important to note for the year in review is the World Health Organization's (WHO) recommendation of the GSK's ground-breaking malaria vaccine for children at risk. WHO recommended the widespread use of malaria vaccine among children in sub-Saharan Africa and in other regions with moderate to high Plasmodium falciparum malaria transmission.

This recommendation was based on results from the ongoing pilot programme in Ghana, Kenya and Malawi that has reached more than 900,000 children since 2019.

Malaria remains a primary cause of childhood illness and death in sub-Saharan Africa. More than

260,000 African children under the age of five die from malaria annually.

In 2021, GSK concluded the Contract Manufacturing Agreement with Fidson Healthcare Plc, which saw the commencement of the production of some GSK medicines by Fidson Healthcare PLC. You will recall that we commenced this process in 2019 with the signing of a MoU and the team has since worked tirelessly to implement a project that is being dubbed the largest technology transfer from a multinational company to a local manufacturer in the Nigeria pharmaceutical industry.

We took this decision in the interest of the country, particularly the economy and the Nigerian patient. Permit my use of this medium to thank the leadership of the National Agency for Food and Drug Administration and Control (NAFDAC) as their partnership during this project was fundamental to its success.

This contract manufacturing model is one which has worked in leading pharmaceutical manufacturing economies and has the potential to accelerate the growth of exports from the Nigerian pharmaceutical sector.

Since epilepsy remains stigmatized in our society, we took the lead in ensuring that its management gets the needed attention by partnering with the Nigerian Society of Neurological Sciences (NSNS) on the development, printing, and launch of the first-ever guideline for the management of epilepsy in Nigeria.

I am particularly proud of our Company's continued Covid-19 support to the nation. In 2021, GlaxoSmithKline (GSK), partnering with Save the Children International (SCI) through the INSPIRING project donated medical equipment, instruments, and consumables worth over 100 million naira to 30 health facilities in Ikorodu LGA of Lagos state and 35 health facilities in Jigawa state.

We also made a direct donation of Personal Protective Equipment (PPE) to the Nigeria Association of Resident Doctors (NARD) and Medical Guild Lagos to provide much needed protection to our frontline health workers.

GSK will always support and partner with health professionals across the nation to improve the care of patients in line with our mission and brand promise.

### Performance and Operating Results

Our performance for this year reflects the terrain in which we did our business. Though the economy experienced growth in the year in review, many organisations struggled to find their feet. However, our Company has shown resilience in how we operated with our committed team who would stop at nothing to remain strong and deliver optimum value to our customers, patients, consumers and stakeholders.

Our Company's revenue grew by 5.42 percent to ₦22.45 billion from ₦21.30 billion in 2020 while the cost of sales grew by 5.78 percent to ₦16.27 billion from ₦15.38 billion. Additionally, the company's profit after tax for the period stood at ₦658.81 million as against ₦622.23 million reported in the previous year which is a growth of 5.88 percent.

The increase in revenue reflects a growing and profitable business in the face of significant headwinds. Therefore, your Board is pleased to recommend a dividend of ₦538.14 million, representing 45 kobo per ordinary share subject to the approval of Shareholders. Applicable taxes will be deducted at the time of payment and paid to the appropriate State or Federal tax authorities.

### Board Matters

To my esteemed shareholders, the Board and Management of GSK have gone through some changes since the last Annual General Meeting. Mr. Uchenna Uwechia resigned from the Board as the Company Secretary/Legal Director after over a decade of meritorious leadership and commitment to the progress of the company. The erstwhile Assistant Company Secretary has been appointed as the substantive Company Secretary, replacing Mr. Uwechia after a successful stint in an Acting capacity.

I welcome onboard Mr. Frederick Ichekwai as he assumes the function of the new Company Secretary of our Company. We look forward to him providing quality support to the Board in the continued delivery of its corporate governance responsibilities.

Dr Amina Salihu was also appointed as an Independent Non-Executive Director on 28th May 2021. Dr Salihu, a Senior Program Officer with the MacArthur Foundation Africa, joins the GSK board with vast experience in consultancy, academics, agriculture, and social enterprise with robust Boardroom experience in private, public, and international organisations.

## Chairman's Statement Cont'd

I therefore welcome Dr Salihu as we eagerly look forward to tapping from her wealth of experience to grow our business.

I would want to use this opportunity to sincerely thank my fellow Directors for their untiring support and commitment to the Company all through the year. We know that the challenges before us are surmountable so long as we are dedicated to the course.

### Future Outlook

The International Monetary Fund (IMF) has reaffirmed a growth rate of 3.4 percent for Nigeria in 2022 owing to the rebound of higher oil prices as well as speedy growth in telecommunication and financial services. However, the challenge of inflation especially driven by higher food prices could restrain a faster recovery in domestic demand.

The mutation of the coronavirus into newer variants must be keenly watched as the world improves its pandemic readiness and management protocols. In the advent of a new variant, economies are likely to revert to the reimposition of mobility restrictions.

We expect sustained economic growth in 2022 but we are aware of the threats to this growth which include foreign exchange availability for businesses, insecurity, unemployment, high cost of doing business, coupled with the fuel subsidy removal uncertainty.

We intend to keep our operating costs as low as feasible to keep our Company successful and meet the expectations of our shareholders and other key stakeholders.

As the electioneering process takes shape for the 2023 general elections in Nigeria, we expect that it will come with the expected anxiety regarding what the election portends for the socio-economic activities in the country. We are optimistic that the process will usher very vibrant and purposeful conversations on the best policies for the growth of our nation Nigeria.

This year, GSK global will be separated into two world-class companies. I am pleased to inform you that the plans for separation are progressing well. You can be assured that the Board will communicate the decision for the Nigerian business as it relates to the global separation plans in due course.

### Conclusion

To our dear Shareholders, I want to express immense gratitude for your support, commitment to the growth and development of our company during this past year.


To the Board members and Management team, we would never be relevant without your commitment and immense belief in the GSK mission. The spirit with which you have carried out your activities is much appreciated.

In conclusion, my gratitude goes to the staff of this great company who remain the driving force behind our brands and business. I am deeply grateful for your dedication to the values of our company. To our suppliers, distributors, media, and regulatory bodies, we appreciate your unending support and diligence.

**God bless GlaxoSmithKline;**

**God bless Nigeria!**

Thank you for your kind attention.



**Mr. Edmund Onuzo**

**Chairman, Board of Directors**

4th April 2022

FRC/2015/IODN/00000011038



# Donations in Pictures



(L-R): Dr. Omolaja Odunuga, Country Medical Director, GlaxoSmithKline Pharmaceuticals Nigeria Ltd; Dr. Okhualhiesyi Uyllawa, President, Nigeria Association of Resident Doctors (NARD); Ms. Afolake Salau, Personal Assistant to the Managing Director, GlaxoSmithKline Consumer Nigeria Plc at GlaxoSmithKline's Donation of COVID-19 Personal Protective Equipment (PPEs) to Nigeria Association of Resident Doctors (NARD) in Lagos.



(L-R) - Lagos PHC Board representative, Ms. Omolara Dahunsi; Health Service Commission representative, Dr. Saliu Oseni; Save the Children International, Country Director, Ms. Mercy Gichuhi (middle); Lagos State Ministry of Health representative, Ms. Folarin Kehinde, and GlaxoSmithKline (GSK) Nigeria, Communication and Government Affairs Director, Mr. Omongiade Ehighebo (1st right), presenting the certificate of donation to the Lagos State Primary Healthcare Board during the donation of medical equipment in Lagos as part of the 100million donated to 30 public health facilities in Ikorodu LGA of Lagos and Jigawa states.



L-R (front row): INSPIRING Project Manager, Mr. Abdullahi Magama; District Head of Kiyawa, Alhaji Adamu Aliyu Kiyawa; Permanent Secretary Jigawa State Ministry of Health, Dr. Saliu Mu'azu and Dr. Abdullahi Yakubu during the presentation of the donated items by GlaxoSmithKline (GSK) Nigeria/Save the Child for the INSPIRING project in Jigawa state.



(L-R) – Mr. Mark Pfister, General Manager East and West Africa GSK Nigeria; Dr. Sodipo Oluwajimi, Chairman Medical Guild Lagos State; Mr. Kunle Oyelana, Managing Director GSK Consumer Nigeria Plc; Dr. Omolaja Odunuga, Medical Director, GSK Nigeria during the Donation of COVID-19 Personal Protective Equipment (PPEs) to Medical Guild in Lagos.



L-R – Dr. Asasah I. Sunday, Member, Lagos COVID-19, EOC (Representing the Honorable Commissioner for Health, Lagos State); Dr. Adaeze Oramalu Ogwuche, Senior Nutrition Adviser, Save the Children International; Mr. Abass Sanni, Representative of GSK Pharmaceutical Nigeria and Ms. Folasayo Oluquera, Programme Manager, Save the Children during the donation of IPC and PPE materials towards COVID-19 response as part of INSPIRING project in Ikorodu Local Government Area of Lagos State held in Ikeja, Lagos.



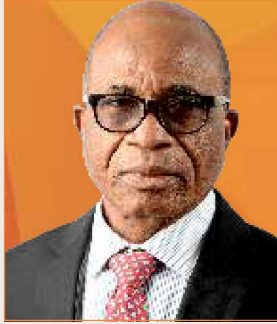
GSK and Save the Children met with the Distinguished Senator Tokunbo Abiru representing Ikorodu Local Government Area (LGA) to intimate him on the INSPIRING project and our Covid-19 support in the LGA.

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# Board Members



**MR. EDMUND C. ONUZO, 73**

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

He rose to increasing levels of responsibilities until he became the General Sales Manager in 1987. He joined SmithKline Beecham in 1990 as Sales Controller. In 1995 he became the executive director, Pharmaceuticals and Consumer Healthcare and moved to Ghana in 1997 as the Managing Director of SmithKline Beecham Ltd with responsibility for the Pharma and Consumer businesses in the Anglophone West African countries.

Following the merger of SmithKline Beecham and Glaxo Wellcome in 2001, he was appointed Sales Director for GlaxoSmithKline Pharmaceutical Anglophone West Africa. Late in 2005, he took on the responsibility of managing the sales and marketing functions of GlaxoSmithKline Pharmaceutical until his retirement in December 2005.

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



**MR. KUNLE OYELANA, 50**

Mr. 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.

He was appointed to the Board effective 1st June 2019.



**MR. SAMUEL KUYE, 68**

Mr. Kuye, Chartered Accountant and Fellow of the Institute of Chartered Accountants of Nigeria (FCA).

He is currently the Chief Executive of SEOOM Limited, a Management and Financial Consultancy firm. He started his career in Nestle Nigeria in 1974 where he held various positions in Finance and Control as well as management of the company's Pension Fund and the Nestle group.

He was the Asst. Group Controller of the Nestle Group for Southern African Region, and worked at the Nestle Group's headquarters in Switzerland as Controller, responsible for 6 countries in Asia (Philippines, Malaysia, Thailand, Indonesia, Vietnam and Singapore).

In 2000, he returned from Switzerland to Nigeria as the Finance & Control Director and Chief Financial Officer of Nestle Nigeria until 2004 when he was transferred to Egypt. After 36 years with the Nestle Group, he retired as Finance & Control Director and Chief Financial Officer of the Nestle Group for Turkey.

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



**MR. MARK PFISTER, 50**

Mr. 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. He 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.

He was appointed to the Board as an Executive Director effective 1st June 2019.



**MR. BOSCO KIRUGI, 41**

Mr. 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.

Mr. Kirugi 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.

He was appointed to the Board as the Finance Director effective 1st June 2019.



**MRS. OLUDEWA EDODO-THORPE, 67**

Mrs. 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.

She was appointed to the Board as an Independent Non-Executive Director effective 5th December 2019.



**MR. OUSSAMA ABBAS, 50**

Mr. Abbas currently Head of Supply Chain – Turkey, Middle East & Africa (MEA), Consumer Health Supply Chain (CHSC), is an accomplished industrial senior executive of GSK with proven abilities in international pharmaceutical, biotech and animal healthcare. He also has solid experience in leading manufacturing plants of commercial and clinical supply-chain operations. He is deeply involved in corporate organizational changes with understanding of impact on other business functions.

Mr. Abbas has an International Executive MBA (High Distinction) from the Louvain School of Management – Belgium (1999); Doctorate Degree, Faculty of Pharmacy – University Claude Bernard (Lyon – France); Second Degree Master – Focus in Galenic (Formulation – Process – Production) – University Diploma of Pharmaceutical Management, Institut de la Pharmacie Industrielle de Lyon. He joined GSK as Director, Secondary Manufacturability & Clinical Supply in May 2009 and has grown through the system to his current position as the Head of Supply Chain of MEA.

He was appointed to the Board as a Non-Executive Director effective 29th July 2020.



**MS. AMINA SALIHU, 52**

Dr Salihu is Senior Program Officer with the MacArthur Foundation Africa Office. A consultant, farmer and feminist, Dr. Salihu is a social entrepreneur facilitating ideas and opportunities for agri-entrepreneur, voice and accountability for women, young people, persons with disabilities, and their communities, especially in Northern Nigeria. She is the technical designer and advisor to the EU RoLAC programme on Nigeria's web-based sexual offender register. Dr. Salihu is a member of the Governing Council of Ekiti State University (EKSU). She is the Ministry of Finance Technical Working Group coordinator on gender, employment, and disability inclusion for the Nigeria Agenda 2050 policy development process.

Dr Salihu was a lecturer at Ahmadu Bello University, Zaria, Program Coordinator at the Centre for Democracy and Development, Senior Special Assistant to the Minister of the Federal Capital Territory, and Coordinator, DFID / UKAIDS Coalition for Change (C4C) Programme. Dr Salihu has written widely and has been a consultant on gender and policy to numerous government and development partner and civil society organisations, including INEC, Ministries of Women Affairs, Finance, Budget & Planning, DFID, United Nations, European Union, Action Aid International and FEMNET.

She was a gender technical team member for the Nigeria Vision 20 2020 policy development process and for the review of the Nigeria Gender Policy, 2006. Dr Salihu is a past Chair of the Kaduna State Rehabilitation Board for Persons with Disabilities and is an honorary adviser to numerous governments, private sector and civil society organisations on gender and policy.

She was the pioneer co-Chair of the Board of Directors and technical designer of the Nigerian Women's Trust Fund. Dr Salihu received her B.Sc. and M.Sc. in Political Science from Ahmadu Bello University Zaria, and PhD from the University of Abuja. She has spent time at the Aspen Institute, the Universities of Cape Town, Sussex, and Liverpool. Dr Salihu was appointed to the Board as an Independent Non-Executive Director effective 28th May 2021.



# Management Team



- 1 Kunle Oyelana  
(Managing Director)
- 2 Mark Pfister  
(General Manager CH)
- 3 Bosco Kirugi  
(Finance Director)
- 4 Adekunle Adeyemi  
(Site Director, Manufacturing Site)
- 5 Frederick Ichekwai  
(Company Secretary & General Counsel)
- 6 Omogiyade Ehighebolo  
(Head of Comms & Govt. Affairs)
- 7 Alexandra Olukunle  
(Human Resources Manager)
- 8 Soji Awotiwon  
(Head of Sales)
- 9 Oluchi Ononiwu  
(Ethics and Compliance Manager)
- 10 Kolawole Oluboyede  
(Head, Internal Audit)
- 11 Iyobosa Osaghae Oyaide  
(Regulatory Affairs Manager)
- 12 Abidoye Ohu  
(Head of Commercial Excellence)
- 13 Maureen Kayi  
(Head of Marketing)
- 14 Dele Daniel  
(Security Manager)
- 15 Njenga Kamande  
(Head of Supply Chain)
- 16 Hellen Kiilu  
(Quality Manager)
- 17 Nishern Govender  
(Medical Affairs Manager)

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# Corporate Responsibility and Sustainability Report



For hundreds of years, we have helped transform the lives and futures of millions of people globally. At GSK, we are constantly improving 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 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 three (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 need, foster the right conditions for business growth, motivate our employees, operate efficiently, and gain the trust of our stakeholders.

Our Consumer Healthcare business develops and markets consumer preferred and expert-recommended brands in the Oral Health, Pain

Relief, Respiratory, Nutrition/Gastro-intestinal, and Skin Health categories. We create value by researching and manufacturing products that improve people's health and wellbeing, and make them as widely available as possible. By delivering innovation and expanding access to our products, we bring shared value to society and our shareholders.

We report our responsible business performance across four areas.

- Health for All
- Our Behavior
- Our People
- Our Planet

## Health for All

### COVID-19 Donations

GSK continues to show effort to sustain support to the country in the fight against the COVID-19 pandemic.

In 2021, GlaxoSmithKline (GSK) & Save the Children International (SCI) partnered through the INSPIRING project and donated medical

equipment, instruments, and consumables worth over N100 million to 30 health facilities in Ikorodu LGA of Lagos state and 35 health facilities in Jigawa State.

Also, GSK Nigeria made a direct donation of Personal Protective Equipments (PPEs) to the Nigeria Association of Resident Doctors (NARD) and Medical Guild Lagos to provide much needed protection to health workers. This was done in partnership with Save the Children International; it was aimed at enhancing effective COVID-19 response as part of the INSPIRING project.

### **Project INSPIRING- Partnership with Save the Children**

GSK in partnership with Save the Children have trained a total of 120 health workers on Integrated Management of Childhood Illnesses (IMCI) in respect to the Integrated Sustainable Childhood Pneumonia and Infectious Diseases Reduction in Nigeria Project (INSPIRING). The objective of this initiative is to train over 210 health workers across Lagos State on effective management of common under 5 illnesses ranging from how to assess and classify sick children, identification, treatment of the children, and management of sick infants.

Also, sixty-five public health facilities in Jigawa and Lagos States received a donation of medical equipment, instruments and consumables worth over N100 million from Save the Children International (SCI) Nigeria and GlaxoSmithKline (GSK) under the INSPIRING project partnership. Following a thorough assessment by SCI and GSK, the donation was made to support the government of both States to provide quality healthcare service delivery for their citizens.

Items donated include: basic medical equipment such as oxygen analyzers, weighing scales, blood pressure (BP) apparatus, stethoscopes, respiratory timers, infrared thermometers, and pulse oximeters. Also, cold chain equipment such as refrigerators and vaccine carriers; nutrition equipment and consumables including cooking gas and food items were donated.

Other items include Infection Prevention and Control (IPC) commodities such as hand sanitisers, liquid soap, disinfectants, disposal gloves, and masks. GSK will continue to engage and access partnerships that will advance our

objectives of helping people do more, feel better and live longer.

### **Our Behaviour**

All business decisions at GSK are guided by our values of Transparency, Respect for People, Integrity, and Patient-Focused. Our commitment to responsible value-based business means, putting the interests of patients and consumers first - we recognise that we must 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 their 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. Our employees are aware of these programs and are required to observe these rules of conduct. We continue to reiterate our message of Zero-tolerance for unethical behaviour through our Ethical Leadership Certification Programme and the Anti-Bribery and Corruption Programme (ABAC), which is an important part of our coordinated 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 results flawlessly. We recognise that our people are critical to achieving this 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.

**GSK Women's Leadership Initiative (WLI)** is consistent with GSK Nigeria's position as a modern employer that supports diversity and inclusion. On International Women's Day this year, GSK celebrated and recognized women within the organization whose contributions continue to help foster growth and balance. In tune with our mission to support growth and development, we sponsored a section of WLI members to the

national WIMBIZ conference in November 2021. 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 with a vision to achieve and maintain gender balance at all levels of the organization in line with global vision by 2025.

### Volunteerism

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 assignments to impact Nigeria through the Clinton Health Access Initiative in Abuja and other Global assignments with GSK.

### Our Planet

As a science-based healthcare company, addressing environmental impact is fundamental to our purpose. At the core of preserving planetary health, we are working to develop greener inhalers, which aim at reducing carbon footprint and its impact on the planet by 90%. Also, as greener energy is one key step toward a healthy planet, GSK is turning to renewable sources such as wind turbines and solar panels thereby leading to the restoration of the planet's health to protect and improve people's health.

### Global Commitment to ESG

GSK has a 13 Trust commitment which guides our performance on environmental, social and governance factors. Our Board-level Corporate Responsibility (CR) Committee oversees our progress against our commitments and how we are addressing the views and expectations of our stakeholders. The GSK Leadership Team and senior management are responsible for the delivery of our Trust commitments and report regularly to the CR Committee on progress.

We publish Sustainability Accounting Standards Board (SASB) index to illustrate how our report aligns with the Biotechnology and Pharmaceutical Industry guidelines. While we do not base our report on the Global Reporting Initiative (GRI) guidelines, we have produced a GRI index to show which elements of the GRI Standards are covered in our 2021 reporting.

We achieved some key milestones in our ESG operations in 2021 and this earned us global recognition in ESG ratings. GSK won the Gold Class 2022 recognition in the S&P Global Sustainability award and was ranked first in the pharmaceutical industry group on the Dow Jones Sustainability Index (DJSI) for 2021. GSK was recognized as an industry leader in the 2021 Antimicrobial Resistance Benchmark and first in the Access to Medicines Index (ATMI).

In the Carbon Disclosure Project (CDP) for 2021, GSK received an "A" in Climate Change, a "B" in Water, a "B" in Forests (palm oil and lumber), and a Leader in Supplier Engagement. The MSCI ESG Rating, which is designed to assess a company's resilience to long-term industry major environmental, social, and governance (ESG) risks, gave GSK an AA grade. GSK was also ranked second in the pharmaceutical sector by Vigeo Eiris and has been a member of the FTSE4Good Index since 2004.

We are committed to using our science and technology to address health needs. Innovation is at the core of who we are and what we do, and we have a unique opportunity to impact global health – from the prevention and treatment of infectious diseases to urgent public health threats, such as the growing resistance to antibiotics.

In 2021, we established Project Africa Gradient with Novartis to support scientific research in three African regions on the link between genetic diversity and patient response to malaria and tuberculosis medications. By August 2021, we had integrated our Vaccines R&D units and Pharma, as well as our teams, focused on product access and capability development, into a single Global Health group. In addition, following the World Health Organization's (WHO) recommendation in October 2021 to expand the use of our RTS,S/AS01 malaria vaccine in children in Sub-Saharan Africa and other regions with moderate to high

transmission, GSK has committed to supply up to 15 million doses annually, in addition to the 10 million doses used in pilot programmes in Malawi, Kenya, and Ghana. Our mission is to support the world in better preparing for future disease outbreaks with pandemic potential, as well as to combat antimicrobial resistance.

Through responsible pricing, access programmes, and partnerships, we are making our products more affordable and accessible to more people throughout the world. Our goal is to enhance the health of millions of people every year by making our products affordable and sustainable for our business.

Children in 32 GAVI-eligible countries and four former GAVI nations received our rotavirus vaccine Rotarix. We are also committed to supplying Rotarix to civil society organizations that are helping refugees and other emergencies through the Humanitarian Mechanism in March 2021.

GSK believes that a healthy work environment is vital to attracting, keeping, and inspiring the best employees. We want our people to succeed, to be allowed to be themselves, to feel good, and to continue to grow. By 2022, we are committed to achieving and maintaining a competitive employee engagement rating. We revised our recruitment policy in 2021, requiring diverse shortlists for all senior positions, whether internally or externally recruited.

Our executive search partners' shortlists are included in this. We also joined the Global Business and Disability Network of the International Labour Organization. This campaign aims to increase the inclusion of persons with disabilities in the workplace around the world by emphasizing the economic benefits of doing so.

We are committed to operating responsibly by providing patients and consumers with high-quality, safe, and reliable products. We had 171 external regulatory inspections at our production facilities and operating companies in 2021. Because of the pandemic, several of them were held virtually. We responded to all inspection results, regardless of how insignificant they may be. To examine the quality and safety of clinical

studies conducted by or on behalf of GSK, we conducted 1,833 quality audits of suppliers and 312 audits of clinical trials conducted by or on behalf of GSK. We build improvement plans and track their progress where we identify opportunities to improve. If substantial issues remain unresolved, we may choose to suspend or terminate our relationship with the third party.

We expect everyone who works for us or on our behalf to act professionally and follow our Code of Conduct. This safeguards our company and contributes to a positive work environment for all of us. Everyone at GSK is required to complete training on the company's expectations. This course was renamed 'Working at GSK' in 2021, and the content was modified to emphasize risk and compliance, as well as diversity and promoting an inclusive workplace. This training was completed by 99% of our employees and 92.9% of contract workers in 2021.

In our environment, we want to do our part to safeguard and restore the planet's health so that people's health can be protected and improved. By 2030, we want to have a net-zero impact on the environment across our whole value chain. In comparison to 2020, we reduced our scope 1 and 2 carbon emissions by 15% in 2021, owing to the increased utilization of renewable electricity.

We are a member of RE100, and our goal is to use 100% per cent renewable energy by 2025. We reached 67% renewable electricity in 2021, a 15% increase over 2020. Our facilities in 15 countries, including the United Kingdom, Belgium, and Spain, now use 100% renewable energy.

We reduced our overall water use in our activities by 16% in 2021 compared to 2020, and by 21% in high-water-stress areas. According to the Alliance for Water Stewardship's definition, 91% of our locations are now good water stewards. We also become members of the Water Resilience Coalition and we are collaborating with them to refine our approach to water neutrality in water-stressed areas and to implement water resilience projects.

GSK will continue to seek more opportunities and partnerships to improve the quality of human life by enabling people to do more, feel better and live longer.



**G**laxoSmithKline 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 the Nigerian Code of Corporate Governance (NCCG) and global corporate governance best practices.

## 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 2018 Nigerian Code of Corporate Governance (NCCG) (collectively referred to as “the Code”).

To enable it exercise this responsibility, the Board requires from Management the appropriate information concerning the business, including relevant information on risk exposures, internal controls and external developments.

The Company’s Articles of Association provide that the Company’s Board shall consist of not more than eight directors. As at date, the Board comprises of 8 directors, 3 of which are Independent Non-Executive Directors, 2 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.

## 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, Nomination & Remuneration Committee in line with the required skill and experience; presented to the Board for approval and then to the shareholders at a general meeting for final approval.

## 3. The Role of the Board

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

- Composition of the Board and its Committees.
- 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 of 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 organizational 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
Mr. Samuel Kuye	Independent Non-Executive Director
Mr. Mark Pfister (South African)	Executive Director
Mr. Bosco Kirugi (Kenyan)	Executive Director, Finance
Mrs. Oludewa Edodo-Thorpe	Independent Non-Executive Director
Mr. Oussama Abbas (French)	Non- Executive Director
Ms. Amina Salihu	Independent Non-Executive Director (Appointed with effect from 28th May 2021)

**5. Record of Directors' Attendance**

The Board held a total of 4 (Four) duly scheduled meetings during the year. In accordance with Section 284(2) of the Companies and Allied Matters Act 2020, the record of Directors' attendance at meetings during year 2021 is available for inspection at the Annual General Meeting. Membership and attendance of Board meetings are set out below:

Name	11/03/21	26/05/21	28/07/21	22/10/21
Mr. Edmund C. Onuzo	✓	✓	✓	✓
Mr. Kunle Oyelana	✓	✓	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓
Mr. Mark Pfister	✓	✓	✓	✓
Mr. Bosco Kirugi	✓	✓	✓	✓
Mrs. Oludewa Edodo-Thorpe	✓	✓	✓	✓
Mr. Oussama Abbas	✓	X	✓	✓
Ms. Amina Salihu	NYM	NYM	✓	✓

**KEYS:** = present X = absent with apology AAD = Attended by alternate director CM = Ceased to be a Member NYM= Not yet a member

**6. Company Secretary**

The Company has a functional Company Secretariat department that supports and assists the Board and Management in implementing the code and developing good corporate governance practices and culture. The erstwhile Company Secretary, Mr. Uchenna Uwechia retired effective May 31st, 2021, and Mr. Frederick Ichekwai was appointed in his stead with effect from 1st February 2022 (having acted in that capacity from May 2021).

**7. Committees of the Board**

**a. Governance, Nomination and Remuneration Committee**

The Committee is mandated to review and recommend to the Board eligible persons for appointment as Directors or executive members as well as review and make recommendations on the remuneration of Directors and senior officers of the company. The table below shows the members who served on the committee in 2021 and their attendance at the meetings.

Directors	03/03/21	21/10/21
Mrs. Oludewa Edodo-Thorpe	✓	✓
Mr. Oussama Abbas	✓	✓
Ms. Amina Salihu	NYM	✓

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

**b. Audit Committee**

The Committee comprised five members, three of whom are shareholders representatives, one of which is the Chairman, Mr. K. A. Taiwo. In accordance with section 404(3) of the Companies and Allied Matters Act 2020, the following members and directors were elected and nominated pursuant to Section 404(3) of the said Act and will serve on the committee up to the conclusion of the 51st Annual General Meeting. The meetings of the Committee were held four times during the period under review (January – October 2021).

Directors	26/01/21	11/03/21	28/07/21	22/10/21
Mr. K.A. Taiwo, FCA	✓	✓	✓	✓

Directors	26/01/21	11/03/21	28/07/21	22/10/21
Chief. S.O. Ogunnowo	✓	✓	✓	✓
Mr. Y. T. Mosuro	✓	✓	✓	✓
Mr. Samuel Kuye	✓	✓	✓	✓
Mrs. Oludewa Edodo-Thorpe	✓	✓	✓	✓

**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 404(7) of the Companies and Allied Matters Act 2020 and Principle 11 Recommended Practices 11.4.6 of the NCCG Code 2018.

**c. Board Audit & 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 2021 and their attendance at the meetings.

Directors	03/03/2021	21/10/2021
Mr. Samuel Kuye	✓	✓
Mrs. Oludewa Edodo-Thorpe	✓	✓
Mr. Oussama Abbas	✓	✓
Mr. Mark Pfister	✓	✓
Mr. Bosco Kirugi	✓	✓

**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 2021 and their attendance at the meetings.

Directors	09/03/21	22/04/21	26/07/21	20/10/21
Mr. Samuel Kuye	✓	✓	✓	✓
Mr. Kunle Oyelana	✓	✓	✓	✓
Mr. Mark Pfister	✓	✓	✓	✓
Mr. Bosco Kirugi	✓	✓	✓	✓
Ms. Amina Salihu	NYM	NYM	NYM	✓

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

**e. Administrative Committee**

The Committee consists of the Managing Director, Mr. Kunle Oyelana, the Executive Director, Consumer Healthcare, Mr. Mark Pfister, 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 carried out internal evaluation of the performance of the directors including attendance to meetings. Following the internal evaluation, appropriate actions were taken to strengthen the Board including resignations and appointment of a new director.

**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 285 of the Companies and Allied Matters Act 2020, as well as Article 91 of the company's Articles of Association are Mr. Samuel Kuye and Mrs. Oludewa Edodo-Thorpe, who, being eligible, offer themselves for re-election. Details of their biographical details are contained in Page 14 of the Annual Report.

**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 15 of the Annual Report.

**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 Code 2018 and the

SEC Corporate Governance Guidelines, the relevant statutes and GSK policies. The system of internal control is to provide reasonable assurance against material misstatements 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, 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 through regular reports and reviews at Board and Board Audit and Risk Management Committee meetings.

**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 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.

The Code of Conduct is regularly updated to reinforce the critical role our values play in protecting our reputation and commercial successes.

### 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 shareholders' 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 NCCG 2018 Code and the Companies and Allied Matters Act, 2020. The remuneration and benefits paid to the directors of GlaxoSmithKline Consumer Nigeria PLC are fully disclosed in Note 29.2 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](http://www.gsk.com/ng).

## **20. Unclaimed Dividend Fund**

Total unclaimed dividend fund in the Company stood at N1,444,884,521.38 as at 31st December 2021. Kindly note that a significant portion of this unclaimed dividend is related to payment due to GSK Plc UK, our parent company, as the unavailability of foreign exchange from the authorised market has hindered our ability to remit the dividends to them.

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 2021 Annual Report.*
- *Shareholders Data Update Form for e-dividend and e-bonus has been included in the Annual Report for Shareholders to complete and return.*
- *The issue of unclaimed dividend was highlighted in the Notice of the AGM as well as in the 2021 Annual report.*
- *Our Registrars (Greenwich Registrars and Data Solutions Limited, 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 Shareholder's 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 2022 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.



**Frederick Ichekwai**  
**Company Secretary**

FRC/2018/NBA/00000018734  
GlaxoSmithKline Consumer Nigeria PLC  
GSK Nigeria House, 1, Industrial Avenue, Ilupeju,  
P.M.B. 21218, Ikeja, Lagos.  
4th April 2022.



## Information in Respect of General Mandate

**T**he aggregate value of all transactions entered into with related parties during the financial year as stated on page 72 of this Annual Report and Accounts is more than 5% of the net tangible assets or the issued share capital of the Company.

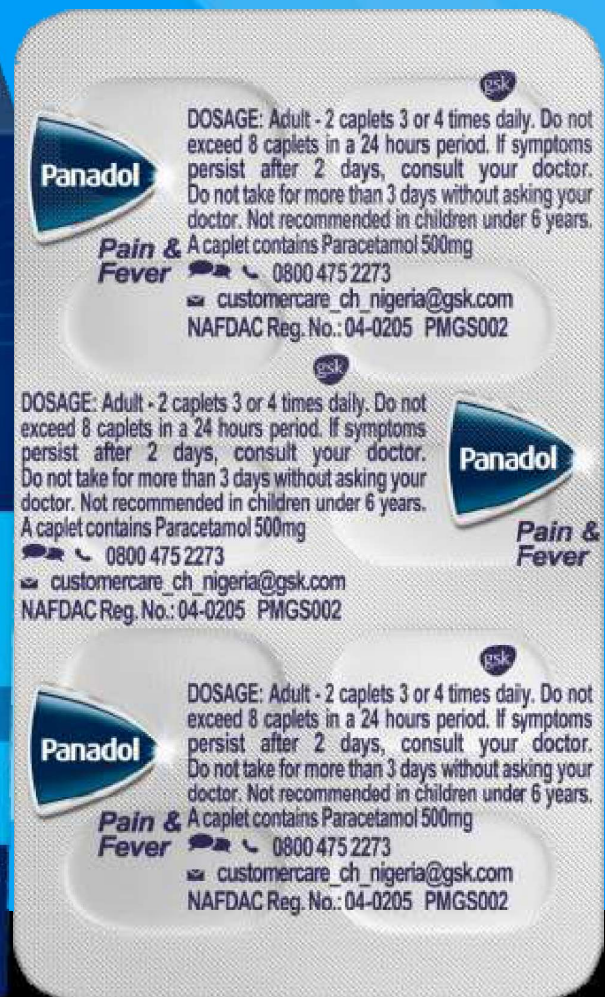
In order to ensure smooth operation, the Company will continue to procure goods and services that are necessary for its operations from related companies in the next financial year and hereby seeks a general mandate from shareholders for the related company transactions of trading nature and those necessary 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 terms 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 for determining in (iv) are sufficient to ensure that the transactions are 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.



# For Effective Pain Relief



## RELEASES MEDICINE 5X FASTER THAN STANDARD PARACETAMOL

Always read the label. Not recommended for use during Pregnancy & For Children under 12 years. If symptoms persist after 2 days consult your doctor

PM-NG-PAN-22-00006

# Financial Statements

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# 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 financial statements for the year ended 31 December 2021 which discloses the state of affairs of the Group.

## 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 operating results from continuing operations:

In Thousands of Naira	Group		Company	
	2021	2020	2021	2020
Revenue	22,449,824	21,295,249	22,449,824	21,295,249
Profit for the year before taxation	945,752	1,000,222	948,266	1,001,006
Taxation	(286,941)	(377,992)	(286,941)	(377,992)
Profit for the year attributable to owners of the parent	658,811	622,230	661,325	623,014

## 3 Dividend

Your Board is pleased to recommend to members a dividend of N0.45k to be paid for the year to shareholders, representing 45 kobo per ordinary share subject to the approval of shareholders. The dividend will be payable on 27th May 2022. 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	Independent Non Executive Director
Mr. Kunle Oyelana	Managing Director
Mr. Mark Pfister	Executive Director
Mr. Bosco Kirugi	Finance Director
Mrs. Oludewa Edodo-Thorpe	Independent Non Executive Director
Mr. Oussama Abbas	Non Executive Director
Ms. Amina Salihu	Independent Non Executive Director

## 5 Board changes

Since the last Annual General Meeting, there have been some changes in the composition of the Board. Ms. Amina Salihu was appointed an Independent Non-Executive Director of the Company on the 28th May 2021.

In accordance with Section 273(1) of Companies And Allied Matters Act, 2020, a resolution will be proposed at the Annual General Meeting approving the appointment of Ms. Amina Salihu as an Independent Non-Executive Director.

### 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, Mrs. Oludewa Edodo-Thorpe and Mr. Oussama Abbas, 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' interest in the Group's ordinary shares as at 31 December 2021 were as follows:

Name	Direct Holding	Indirect Holding	Total
Mr. Edmund C. Onuzo	337,912	11,170	349,082
Mr. Samuel Kuye	923	93,750	94,673
Mr. Kunle Oyelana	-	-	-
Mr. Mark Pfister	-	-	-
Mr. Bosco Kirugi	-	-	-
Mrs. Oludewa Edodo-Thorpe	31	-	31
Mr. Oussama Abbas	-	-	-
Ms. Amina Salihu	-	-	-

### 8 Beneficial ownership

None of the directors has any beneficial interest in shares of the Group 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 303 of the Companies and Allied Matters Act, of any declarable interest in contracts with which the company is involved as at 31 December 2021.

### 10 Value of assets

Particulars of the changes arising from additions and disposal of fixed assets during the year are contained in Note 13 to the financial statements. Details of the other assets of the Group as at 31 December 2021 are given in Notes 14-18 to the 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 percent are held by Nigerian shareholders, while 444,065,541 shares equivalent to 46.4 percent are held by GlaxoSmithKline Plc UK through its wholly owned subsidiaries, Setfirst Limited and SmithKline Beecham Limited as at 31 December 2021.

Range	Number of shareholders	Holders %	Number of holdings	% shareholding
1-1000	9,866	36.09	4,015,232	0.34
1,001-5,000	10,397	38.03	26,019,737	2.18
5,001- 10,000	3,211	11.75	21,849,001	1.83
10,001- 50,000	3,101	11.34	62,500,897	5.23
50,001 – 100,000	359	1.31	24,586,119	2.06
100,001 – 500,000	294	1.08	57,256,838	4.79
500,001 – 1,000,000	47	0.17	33,854,515	2.83
1,000,001 – Above	62	0.23	965,794,149	80.76
<b>Total</b>	<b>27,337</b>	<b>100.00</b>	<b>1,195,876,488</b>	<b>100.00</b>



**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 2021:

Shareholder	Number of shares held	% Holding
Setfirst Limited	326,593,793	27.31
Smithkline Beecham Limited	228,488,132	19.11
Stanbic Nominees Limited	106,932,609	8.94

**13 Unclaimed dividends**

The unclaimed dividend in the books of the Company as at 31 December 2021 was N1,274,995,497.97 (2020: N1,430,723,032.79). They were in respect of Payments 31 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**

Our resolve borders around partnership with underprivileged communities across the country, putting our weight behind innovative, sustainable programs and paving way for real benefits to these communities. We are committed to strengthening community fabric by delivering health and education initiatives, and supporting local civic and cultural institutions to improve quality of life.

In 2021, GlaxoSmithKline (GSK) & Save the Children International (SCI) partnered through the INSPIRING project and donated medical equipment, instruments, and consumables worth over 100 million naira to 30 health facilities in Ikorodu LGA of Lagos state and 35 health facilities in Jigawa state.

GSK Nigeria also made a direct donation of PPEs to the Nigeria Association of Resident Doctors (NARD) and Medical Guild Lagos to provide much needed protection to health workers.

In compliance with section 43 (2) of the Companies and Allied Matters Act, 2020 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 2021, the Group 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 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.

### 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 complemented 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 401(2) of the Companies and Allied Matters Act, Messrs. Deloitte & Touche have indicated their willingness to continue in office and pursuant to Section 408(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



### Frederick Ichekwai

Company Secretary  
FRC/2018/NBA/00000018734

### Registered office:

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

04/04/2022

# Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2021, and the results of its operations, statement of cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act, 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.

## 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.



**Mr. Edmund C. Onuzo**

Chairman

FRC/2015/IODN/00000011038



**Mr. Kunle Oyelana**

Managing Director

FRC/2020/003/00000020395

## Statement of **Directors' Responsibilities** Cont'd

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### **Certification of Financial Statements**

In accordance with section 405 of the Companies And Allied Matter Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

### **We state that management and directors:**

- (i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company [and its subsidiaries] is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that the group's internal controls are effective as of that date;

### **We have disclosed:**

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the group's ability to record, process, summarise and report financial data, and has identified for the group's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and
- (d) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Group for the year ended 31 December 2021 were approved by the directors on 23 March 2022.



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



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**Mr. Adewale Vincent**  
Senior Finance Manager  
FRC/2018/ICAN/00000018187

# Independent Auditor's Report

Report on the Audit of the Consolidated and Separate Financial Statements



## To the Shareholders of GlaxoSmithKline Consumer Nigeria Plc

### Opinion

We have audited the consolidated and separate financial statements of **GlaxoSmithKline Consumer Nigeria Plc** and its subsidiaries (the Group and Company) set out on pages 39 to 79, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of 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 2021, and its consolidated and separate financial performance and consolidated and separate statements of cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act (CAMA) 2020 and Financial Reporting Council of Nigeria Act.

### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for

Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA 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 IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate Financial Statements in Nigeria.

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. This matter was addressed in the context of our audit of the Group's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. No Key Audit Matter was identified in the audit of the Group's financial statements for the current year.

### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Chairman's Statement, Corporate Responsibility Report, Statement of Directors Responsibility and Report of the Statutory Audit Committee, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

## Independent Auditor's Report Cont'd

Report on the Audit of the Consolidated and Separate Financial Statements

Our opinion on the consolidated and separate financial statements do not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

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

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

### Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

## Independent Auditor's Report Cont'd

Report on the Audit of the Consolidated and Separate Financial Statements

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 related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of Companies and Allied Matters Act (CAMA) 2020 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**

FRC/2013/ICAN/00000001348

For: Deloitte & Touche  
Chartered Accountants  
Lagos, Nigeria  
31 March, 2022





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

In accordance with Section 404(7) of the Companies and Allied Matters Act 2020, we confirm that we have examined the Auditors' Report for the year ended 31st December 2021.

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

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

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

**Mr. K.A. Taiwo FCA**

Chairman, Audit Committee  
FRC/2013/1CAN/00000002890  
Lagos, Nigeria

Dated this **23rd day of March 2022**



**Audit Committee**  
and the  
Company Secretary

1. **Mr. K.A. Taiwo**  
(Chairman)
2. **Mr. S.O. Kuye**
3. **Chief S.O. Ogunnowo**
4. **Mr. Y.T. Mosuro**
5. **Mrs. O.E-Thorpe**
6. **Mr. Frederick Ichekwai**  
(Company Secretary)



## Statement of Profit or Loss and other Comprehensive Income

As at 31 December 2021

In Thousands of Naira	Notes	Group		Company	
		2021	2020	2021	2020
Revenue	5	22,449,824	21,295,249	22,449,824	21,295,249
Cost of sales	6	(16,270,135)	(15,380,493)	(16,270,135)	(15,380,493)
<b>Gross profit</b>		<b>6,179,689</b>	<b>5,914,756</b>	<b>6,179,689</b>	<b>5,914,756</b>
Investment income	8	93,545	71,482	93,545	71,482
Other gains and losses	9	106,633	166,711	106,633	160,973
Impairment of financial assets	19.2	(87,403)	(73,494)	(87,403)	(73,494)
Finance costs	26	(4,669)	(39,150)	(4,669)	(39,150)
Selling and distribution costs	7.1	(3,542,294)	(3,519,762)	(3,542,294)	(3,519,762)
Administrative expenses	7.1	(1,799,749)	(1,520,321)	(1,797,235)	(1,513,799)
		(5,233,937)	(4,914,534)	(5,231,423)	(4,913,750)
<b>Profit before tax</b>	10	<b>945,752</b>	<b>1,000,222</b>	<b>948,266</b>	<b>1,001,006</b>
Income tax expense	11.1	(286,941)	(377,992)	(286,941)	(377,992)
<b>Total Profit after tax for the year</b>		<b>658,811</b>	<b>622,230</b>	<b>661,325</b>	<b>623,014</b>
<b>Other comprehensive income net of income tax:</b>					
<b>Items that will not be reclassified to profit or loss:</b>		-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		-	-	-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>658,811</b>	<b>622,230</b>	<b>661,325</b>	<b>623,014</b>
Profit for the year attributable to:					
Shareholders of the Company		658,811	622,230	661,325	623,014
Non-controlling interest		-	-	-	-
		658,811	622,230	661,325	623,014
Total comprehensive income for the year attributable to:					
Shareholders of the Company		658,811	622,230	661,325	623,014
Non-controlling interest		-	-	-	-
		658,811	622,230	661,325	623,014
<b>Basic and diluted earnings per share (Kobo)</b>					
From continuing operations	12	55	52	55	52
From continuing and discontinuing operations	12	55	52	55	52


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

## Statement of Financial Position

As at 31 December 2021

In Thousands of Naira	Notes	Group		Company	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	540,339	1,830,986	540,339	1,830,986
Deferred tax asset	11.3	231,223	450,956	231,223	450,956
Right of use assets	15	14,481	95,971	14,481	95,971
Investment property	16	585,532	154,839	585,532	154,839
Investment in subsidiary	17	-	-	160	160
		<b>1,371,575</b>	<b>2,532,752</b>	<b>1,371,735</b>	<b>2,532,912</b>
<b>Current assets</b>					
Inventories	18	6,045,400	3,282,439	6,045,400	3,282,439
Trade and other receivables	19	5,170,886	4,649,954	5,170,886	4,649,954
Other assets	20	202,846	373,775	202,846	373,775
Cash and bank balances	21	12,746,570	12,896,742	12,746,570	12,896,742
Assets classified as asset held for sale	14	715,455	-	715,455	-
		<b>24,881,157</b>	<b>21,202,910</b>	<b>24,881,157</b>	<b>21,202,910</b>
<b>Total assets</b>		<b>26,252,732</b>	<b>23,735,662</b>	<b>26,252,892</b>	<b>23,735,822</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Issued share capital	22.1	597,939	597,939	597,939	597,939
Share premium	22.2	51,395	51,395	51,395	51,395
Retained earnings		8,650,116	8,469,656	8,480,771	8,297,798
<b>Total equity</b>		<b>9,299,450</b>	<b>9,118,990</b>	<b>9,130,105</b>	<b>8,947,132</b>
<b>Non-current liabilities</b>					
Liability for share-based payments	25	26,279	30,730	26,279	30,730
<b>Total non-current liabilities</b>		<b>26,279</b>	<b>30,730</b>	<b>26,279</b>	<b>30,730</b>
<b>Current liabilities</b>					
Trade and other payables	23	16,731,849	13,579,643	16,915,100	13,765,407
Lease liabilities	26	1,500	106,610	1,500	106,610
Contract liabilities	24	90,841	105,606	90,841	105,606
Bank overdraft	21	-	11,160	-	11,160
Income tax payable	11.2	102,813	782,923	89,067	769,177
<b>Total current liabilities</b>		<b>16,927,003</b>	<b>14,585,942</b>	<b>17,096,508</b>	<b>14,757,960</b>
<b>Total liabilities</b>		<b>16,953,282</b>	<b>14,616,672</b>	<b>17,122,787</b>	<b>14,788,690</b>
<b>Total equity and liabilities</b>		<b>26,252,732</b>	<b>23,735,662</b>	<b>26,252,892</b>	<b>23,735,822</b>

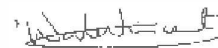
The consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 23 March 2022 and signed on its behalf by:



**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.

Statement of **Changes in Equity**

As at 31 December 2021

In Thousands of Naira	Share Capital	Share Premium	Retained Earnings	Total
<b>Group</b>				
At 1 January 2020	597,939	51,395	8,503,734	9,153,068
Profit for the year	-	-	622,230	622,230
Dividend declared	-	-	(657,732)	(657,732)
Unclaimed dividend declared status barred	-	-	1,424	1,424
<b>At 31 December 2020</b>	<b>597,939</b>	<b>51,395</b>	<b>8,469,656</b>	<b>9,118,990</b>
At 1 January 2021	597,939	51,395	8,469,656	9,118,990
Profit for the year	-	-	658,811	658,811
Dividend declared	-	-	(478,351)	(478,351)
<b>At 31 December 2021</b>	<b>597,939</b>	<b>51,395</b>	<b>8,650,116</b>	<b>9,299,450</b>
<b>Company</b>				
At 1 January 2020	597,939	51,395	8,331,092	8,980,426
Profit for the year	-	-	623,014	623,014
Dividend declared	-	-	(657,732)	(657,732)
Unclaimed dividend declared status barred	-	-	1,424	1,424
<b>At 31 December 2020</b>	<b>597,939</b>	<b>51,395</b>	<b>8,297,798</b>	<b>8,947,132</b>
At 1 January 2021	597,939	51,395	8,297,798	8,947,132
Profit for the year	-	-	661,325	661,325
Dividend declared	-	-	(478,351)	(478,351)
<b>At 31 December 2021</b>	<b>597,939</b>	<b>51,395</b>	<b>8,480,771</b>	<b>9,130,105</b>

Statement of **Cash Flows**

As at 31 December 2021

In Thousands of Naira	Notes	Group		Company	
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Profit for the year		658,811	622,230	661,325	623,014
<b>Adjustment for:</b>					
Income tax expense recognised in profit or loss		286,941	377,992	286,941	377,992
Depreciation of property, plant and equipment, investment property and right of use asset	13	434,232	479,972	434,232	479,972
(Loss)/gain on disposal of property, plant and equipment	9	(6,183)	(4,162)	(6,183)	(4,162)
Interest on term deposits	8	(93,545)	(71,482)	(93,545)	(71,482)
Finance cost	26	4,669	39,150	4,669	39,150
Adjustments to property, plant and equipment	13	18,475	40,848	18,475	40,848
Transfers to assets held for sale	13	-	26,371	-	26,371
Share based payment expense	25	6,027	44,442	6,027	44,442
<b>Working capital adjustments:</b>					
Changes in inventories		(2,762,961)	2,242,476	(2,762,961)	2,242,476
Changes in trade receivables		(520,930)	2,030,458	(520,930)	2,030,458
Changes in other assets		170,929	(142,540)	170,928	(143,432)
Changes in contract liabilities		(14,765)	(51,229)	(14,765)	(51,229)
Changes in trade and other payables		3,126,137	4,779,082	3,123,624	4,779,238
		1,307,837	10,413,608	1,307,837	10,413,656
VAT paid	23.3	(195,962)	(147,666)	(195,962)	(147,666)
Income tax paid	11	(747,318)	(477,971)	(747,318)	(477,971)
<b>Net cash generated in operating activities</b>					
		364,557	9,787,971	364,557	9,788,019
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	9	6,183	4,162	6,183	4,162
Interest received	8	93,545	71,482	93,545	71,482
Purchase of property, plant and equipment	13	(183,277)	(140,061)	(183,277)	(140,061)
Purchase of right of use asset	15	(43,441)	(181,343)	(43,441)	(181,343)
<b>Net cash flows used by investing activities</b>					
		(126,990)	(245,760)	(126,989)	(245,760)
<b>Cash flows from financing activities</b>					
Share based payment settlement	25	(10,478)	(13,712)	(10,478)	(13,712)
Final dividends paid to shareholders of the Company	23.1	(256,322)	(352,437)	(256,322)	(352,437)
Lease liability paid	26	(153,220)	(106,218)	(153,220)	(106,218)
Proceed from lease liability	26	43,441	103,502	43,441	103,502
Statute barred dividend received		-	1,424	-	1,424
<b>Net cash flows used in financing activities</b>					
		(376,579)	(367,441)	(376,579)	(367,441)
Net increase in cash and cash equivalents		(139,012)	9,174,770	(139,012)	9,174,818
Cash and cash equivalents at 1 January		12,885,582	3,710,812	12,885,582	3,710,764
<b>Cash and cash equivalents at 31 December</b>					
	21	12,746,570	12,885,582	12,746,570	12,885,582

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2021

## 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 year ended 31 December 2021 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.

### 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 2021 have been approved for issue by the directors on 23 March 2022.

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

### i) Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free

interest rate (RFR). The amendments include the following practical expedients:

- a) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- b) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- c) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Directors have reviewed the amendments to the IFRS and are of the opinion that this has no material impact on the Group's consolidated financial statements

### ii) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification.

A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022, (a rent concession meets this condition if it results in reduced lease

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2022); and

c) There is no substantive change to other terms and conditions of the lease.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

The Directors have reviewed the amendments to the IFRS and are of the opinion that this has no material 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 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

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

#### i) 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.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

**ii) Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The 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.

**iii) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, 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.

**iv) Amendments to IFRS 3 – Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

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

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

**v) Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

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

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

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.

**vi) Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

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

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

**vii) Amendments to IAS 8 - Definition of Accounting Estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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.

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The 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.

**ix) Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The directors of the Group are currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

**x) Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements include amendments to four Standards.

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

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences.

**- IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between



the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- **IFRS 16 Leases**

The amendment removes the illustration of the reimbursement of leasehold improvements.

- **IAS 41 Agriculture**

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

The amendments are effective for annual periods beginning on or after 1 January 2022, 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 comparability 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 1 January, 2021 and the requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and Financial Reporting Council of Nigeria Act.

#### 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 2021.

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 are 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 non-controlling 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 Group's 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

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

(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. 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 cash equivalents

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 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 pension fund scheme for the benefit of all of its employees.

- (i) **Pension fund scheme:** The Group in line with the provisions of the Pension Reform Act 2014, which repealed the Pension Reform Act No. 2 of 2004, has a defined contribution pension scheme for its employees. Contributions to the scheme are funded through payroll deductions while the Group's contribution is charged to the

profit or loss. The Group contributes 10% while the employees contribute 8% of the pensionable emoluments.

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

### 3.18 Segment report

The Group defines its 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 Share-based payments

#### Share-based payment transactions of the Group

The Group does not have an equity settled share option plan.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

GSK operates a share value plan, whereby awards are granted to employees, to acquire shares in GSK PLC. Under the Share Value Plan, share awards are granted to certain employees at no cost. The awards vest after two and a half to three years and there are no performance criteria attached.

### 3.21 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.

### 3.21.1 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.

### 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

cost model. In line with the cost model, investment property is accounted for as cost less accumulated depreciation and less accumulated impairment losses.

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 set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. 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 control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty 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 as at the 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 incorporates 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.

**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.

**Royalty**

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

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

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

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

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
Revenue from the sale of goods - Local	22,301,368	21,227,552
Revenue from the sale of goods - Export	148,456	67,697
	<b>22,449,824</b>	<b>21,295,249</b>

### 5.1 Segment information

#### Product and services from which reportable segments derive their revenue

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

Consumer Healthcare segment consisting of oral care, over-the-counter (OTC) medicines; and 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	Pharmaceuticals	Non-Operating Income	Total
<b>2021 Segment Results</b>				
Revenue	7,288,967	15,160,857	-	22,449,824
Cost of sales	(4,126,194)	(12,143,941)	-	(16,270,135)
Gross Profit	3,162,773	3,016,916	-	6,179,689
Operating expense	(2,607,554)	(2,734,489)	-	(5,342,043)
Operating profit	555,219	282,427	-	837,646
Impairment of financial assets	(57,008)	(30,395)	-	(87,403)
Investment income	-	-	93,545	93,545
Finance costs	(4,669)	-	-	(4,669)
Other gains and losses	223,111	(179,382)	62,904	106,633
<b>Profit before tax</b>	<b>716,653</b>	<b>72,650</b>	<b>156,449</b>	<b>945,752</b>

In Thousands of Naira	Consumer Healthcare	Pharmaceuticals	Non-Operating Income	Total
<b>2021 Segment Results Cont'd</b>				
<b>Segment assets &amp; liabilities</b>				
Non-current assets excluding deferred tax	1,140,351	-	-	1,140,351
Current assets	18,110,493	6,770,665	-	24,881,158
<b>Total asset</b>	<b>19,250,844</b>	<b>6,770,665</b>	<b>-</b>	<b>26,021,509</b>
<b>Segment liabilities</b>	<b>5,101,488</b>	<b>11,851,795</b>	<b>-</b>	<b>16,953,283</b>

In Thousands of Naira	Consumer Healthcare	Pharmaceuticals	Non-Operating Income	Total
<b>2020 Segment Results</b>				
Revenue	6,249,753	15,045,496	-	21,295,249
Cost of sales	(3,525,569)	(11,854,925)	-	(15,380,493)
Gross Profit	2,724,184	3,190,572	-	5,914,756
Operating expense	(2,279,895)	(2,833,682)	-	(5,113,577)
Operating profit	444,289	356,890	-	801,179
Investment income	-	-	71,482	71,482
Finance costs	(39,150)	-	-	(39,150)
Other gains and losses	6,490	160,221	-	166,711
<b>Profit before tax</b>	<b>411,629</b>	<b>517,111</b>	<b>71,482</b>	<b>1,000,222</b>
<b>Segment assets &amp; liabilities</b>				
Non-current assets excluding deferred tax	2,081,796	-	-	2,081,796
Current assets	5,960,350	15,242,560	-	21,202,910
<b>Total asset excluding</b>	<b>8,042,146</b>	<b>15,242,560</b>	<b>-</b>	<b>23,284,706</b>
<b>Segment liabilities</b>	<b>4,659,157</b>	<b>9,957,516</b>	<b>-</b>	<b>14,616,673</b>

The accounting policies of the segments are the same as the Group's accounting policies described 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.

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

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

In Thousands of Naira	Group & Company	
	Depreciation and Amortisation	
	31 December 2021	31 December 2020
- Consumer healthcare	434,232	483,988
- Pharmaceuticals	-	-
	<b>434,232</b>	<b>483,988</b>

### 5.4 Geographical information

The Group generates 99.34% of its revenue from continuing operations in Nigeria and 0.66% from sales to Ghana.

### 5.5 Information about major customer

The company has a major customer with total sales of N19.78billion (2020: N19.33billion) contributing more than 10% of the Group's total revenue.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>6 Cost of Sales</b>				
Materials consumed	15,349,297	14,463,579	15,349,296	14,463,579
Depreciation and amortisation	303,761	389,620	303,761	389,620
Production labour	617,077	527,294	617,077	527,294
	<b>16,270,135</b>	<b>15,380,493</b>	<b>16,270,135</b>	<b>15,380,493</b>

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

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Payroll costs	940,231	992,141	940,231	992,141
Directors remuneration	90,599	73,704	90,599	73,704
Electricity, fuel & utility	95,362	59,298	95,362	59,298
Repairs and maintenance - vehicles	5,969	14,386	5,969	14,386
Repairs and maintenance -others	27,024	38,940	27,024	38,940
Insurance	28,769	34,777	28,769	34,777
Depreciation and amortisation	130,471	90,352	130,471	90,352
Rent and rates	109,607	121,949	109,607	121,949
Security & facility expenses	52,330	11,128	52,330	11,128
Canteen expenses	-	45	-	45

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Freight cost	299,011	226,713	299,011	226,713
Travel and expenses	65,301	27,409	65,301	27,409
Telecom cost	35,961	55,282	35,961	55,282
Audit fees	25,000	23,500	24,000	22,500
Consultancy	41,566	60,861	40,052	55,339
Advert and promotion	1,369,289	1,207,252	1,369,289	1,207,252
Bank charges	67,608	43,183	67,608	43,183
Other business expenses	150,905	104,982	150,905	104,982
Intercompany rechargeable expenses	1,807,040	1,854,181	1,807,040	1,854,181
	<b>5,342,043</b>	<b>5,040,083</b>	<b>5,339,529</b>	<b>5,033,561</b>

\*Intercompany rechargeable expenses represents shared service expenses cross charged from GSK Pharmaceutical Nigeria Ltd for support rendered with respect to the pharmaceutical segment.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Depreciation and amortisation</b>				
Property, plant and equipment	295,227	304,610	295,227	304,610
Right of use asset	124,932	171,037	124,932	171,037
Investment property	14,074	4,325	14,074	4,325
	<b>434,233</b>	<b>479,972</b>	<b>434,233</b>	<b>479,972</b>

Included in the total depreciation and amortisation is N304million(2020:N390million) recognised in cost of sales and 131million(2020:90million) recognised in administrative expenses.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>7.1 Expense by nature have been disclosed in the statement of comprehensive income as follows</b>				
Selling and distribution	3,542,294	3,519,762	3,542,294	3,519,762
Administrative expenses	1,799,749	1,520,321	1,797,235	1,513,799
	<b>5,342,043</b>	<b>5,040,083</b>	<b>5,339,529</b>	<b>5,033,561</b>

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>7.2 Employee benefits expense (continuing operations)</b>				
Wages and salaries	1,583,840	1,522,999	1,583,840	1,522,999
Defined contribution	64,067	70,140	64,067	70,140
	<b>1,647,907</b>	<b>1,593,139</b>	<b>1,647,907</b>	<b>1,593,139</b>

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
<b>8 Investment income</b>		
Interest income on short-term deposits	93,545	71,482
	<b>93,545</b>	<b>71,482</b>

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>9 Other gains and losses</b>				
Profit from sale of property, plant and equipment	6,183	4,162	6,183	4,162
Realised foreign exchange (losses)/gains	(3,261)	19,898	(3,261)	19,898
Unrealised foreign exchange gains	3,641	7,281	3,641	7,281
<b>Provision no longer required:</b>				
Trade receivables	62,904	71,573	62,904	71,573
Other sundry income	37,166	63,797	37,166	58,059
	<b>106,633</b>	<b>166,711</b>	<b>106,633</b>	<b>160,973</b>

Other sundry income relates to mark up on intercompany cross charges.

<b>10 Profit before tax</b>				
Profit before tax from continuing operation has been arrived at after charging/(crediting):				
Audit fees	25,000	23,500	24,000	22,500
Director's remuneration	90,599	73,704	90,599	73,704
Net Impairment on receivables	24,499	1,921	24,499	1,921
Depreciation	434,233	479,972	434,233	479,972
Net foreign exchange (gain)/loss	(380)	(27,179)	(380)	(27,179)

Deloitte has not provided any other service apart from Audit services.

## 11 Taxes

### 11.1 Income tax recognised in statement of profit or loss

#### Current tax:

Current tax expense in respect of the current year:

Companies income tax	57,902	696,079	57,902	696,079
Education tax	9,262	52,014	9,262	52,014
Nigeria Police Trust Fund	44	10	44	10
	<b>67,208</b>	<b>748,103</b>	<b>67,208</b>	<b>748,103</b>

#### Deferred tax:

Origination and reversing temporary differences

Deferred tax charge/(write back)

	-	-	-	-
	219,733	(370,111)	219,733	(370,111)
	<b>219,733</b>	<b>(370,111)</b>	<b>219,733</b>	<b>(370,111)</b>

#### Total income tax recognised in profit or loss

	<b>286,941</b>	<b>377,992</b>	<b>286,941</b>	<b>377,992</b>
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Companies income tax is calculated at 30 percent (2020: 30 per cent) of the estimated taxable profit for the year. However, if 0.25 percent(2020: 0.25 percent) of the gross turnover which is the minimum tax is higher than the companies income tax computed, then the minimum tax will represent the tax payable for the current 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 and the Finance Acts.

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

The charge for education tax of 2.5 per cent (2020: 2 percent) of the estimated assessable profit for the year is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>11.2 Current tax liabilities:</b>				
At 1 January	782,923	512,791	769,177	499,045
<b>Tax charge in income statement:</b>				
Charge in the current year	67,208	748,103	67,208	748,103
	850,131	1,260,894	836,385	1,247,148
Education tax paid	(52,014)	(39,216)	(52,014)	(39,216)
Company income tax paid	(695,304)	(438,755)	(695,304)	(438,755)
At 31 December	<b>102,813</b>	<b>782,923</b>	<b>89,067</b>	<b>769,177</b>
<b>11.3 Deferred tax balances:</b>				
Reflected in the statement of financial position as follows:				
Deferred tax assets	(369,173)	(872,632)	(369,173)	(872,632)
Deferred tax liabilities	137,950	421,676	137,950	421,676
Deferred tax asset	<b>(231,223)</b>	<b>(450,956)</b>	<b>(231,223)</b>	<b>(450,956)</b>

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	Recognised in profit or loss	At 31 December
<b>2021</b>			
Property, plant & equipment	319,564	(297,338)	22,226
Provision for increase in stock write-off	(52,300)	38,285	(14,015)
Unrealised exchange gain	71,401	39,617	111,018
Unrealised exchange loss	(540,754)	331,034	(209,720)
Impairment of receivables	(35,480)	(8,516)	(43,996)
Inventory revaluation	(70,318)	70,318	-
Share based expense/net provision	(9,834)	1,293	(8,541)
Provision for returns of damaged goods	(55,240)	(863)	(56,103)
Provision for rebates and allowances	(74,591)	38,280	(36,311)
Right of use assets	30,711	(26,005)	4,706
Lease liability	(34,115)	33,628	(488)
	<b>(450,956)</b>	<b>219,733</b>	<b>(231,223)</b>
<b>2020</b>			
Property, plant & equipment	314,374	5,190	319,564
Provision for increase in stock write-off	(44,939)	(7,361)	(52,300)
Unrealised exchange gain	-	71,401	71,401
Unrealised exchange loss	(260,825)	(279,929)	(540,754)
Impairment of receivables	(34,865)	(615)	(35,480)
Inventory revaluation	-	(70,318)	(70,318)

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

In Thousands of Naira			
Group and Company (2020 Cont'd)	At 1 January	Recognised in profit or loss	At 31 December
Share based expense/net provision	-	(9,834)	(9,834)
Provision for returns of damaged goods	(54,590)	(650)	(55,240)
Provision for rebates and allowances	-	(74,591)	(74,591)
Right of use assets	-	30,711	30,711
Lease liability	-	(34,115)	(34,115)
	<b>(80,845)</b>	<b>(370,111)</b>	<b>(450,956)</b>

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>11.4 Reconciliation of income tax expense</b>				
The income tax expense for the year can be reconciled to the accounting profit as follows:				
<b>Profit before tax</b>	<b>945,752</b>	<b>1,000,222</b>	<b>948,266</b>	<b>1,001,006</b>
Income tax expense calculated at 30% (2020: 30%)	283,726	300,067	284,480	300,302
Education tax	9,262	52,014	9,262	52,014
<b>Effect of:</b>				
Exempted income from taxation	(633,018)	(106,533)	(633,018)	(106,533)
Back duty assessment	-	1,102	-	1,102
Non-deductible expenses	459,686	879,145	459,686	879,145
Deferred tax	219,733	(370,111)	219,733	(370,111)
Deferred tax	44	-	44	-
Others	(52,492)	(377,691)	(53,246)	(377,926)
<b>Total income tax expense for the year</b>	<b>286,941</b>	<b>377,992</b>	<b>286,941</b>	<b>377,992</b>
<b>Effective tax rate</b>	<b>30%</b>	<b>38%</b>	<b>30%</b>	<b>38%</b>

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>12 Earnings Per Share</b>				
Net profit attributable to ordinary equity holders of the parent from continuing operations (N'000)	658,811	622,230	661,325	623,014
Net profit attributable to ordinary equity holders of the parent from continuing and discontinued operations (N'000)	658,811	622,230	661,325	623,014
Weighted average number of ordinary shares for basic 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	55	52	55	52
Basic and diluted earnings per share (kobo)-continuing and discontinued operations	55	52	55	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.



# Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

## In Thousands of Naira

13 Property, plant and equipment	Leasehold Land	Buildings	Plant and Machinery	Construction in Progress	Furniture, Fittings and Equipment	Motor Vehicles	Total
<b>Group and Company</b>							
<b>Cost:</b>							
At 1 January 2020	461,796	493,369	1,929,229	108,439	939,460	311,249	4,243,541
Additions	-	-	1,932	59,063	-	79,066	140,061
Transfers	4,725	4,238	26,708	(49,679)	14,008	-	-
Reclassification	(476)	(8,434)	644,566	-	(632,110)	(3,546)	-
Adjustments (Note 13.1)	-	-	(998)	(39,850)	-	-	(40,848)
Transfer to asset held for sale	-	-	-	(26,371)	-	-	(26,371)
Disposals	-	-	-	-	(2,636)	(38,735)	(41,371)
<b>At 31 December 2020</b>	<b>466,045</b>	<b>489,172</b>	<b>2,601,437</b>	<b>51,601</b>	<b>318,722</b>	<b>348,035</b>	<b>4,275,012</b>
Additions	-	-	-	-	-	183,277	183,277
Transfers to investment property	(195,651)	(370,829)	-	-	-	-	(566,480)
Transfers (Note 13.4)	-	-	6,726	(33,126)	26,400	-	-
Adjustments (Note 13.1)	-	-	(2,028)	(18,475)	2,028	-	(18,475)
Transfers to asset held for sale (Note 14)	-	-	(2,497,311)	-	(191,702)	(59,005)	(2,748,018)
Disposals	-	-	-	-	-	(86,940)	(86,940)
<b>At 31 December 2021</b>	<b>270,394</b>	<b>118,343</b>	<b>108,824</b>	<b>-</b>	<b>155,448</b>	<b>385,367</b>	<b>1,038,376</b>
<b>Accumulated depreciation:</b>							
At 1 January 2020	136,413	53,912	1,536,568	-	280,588	173,305	2,180,785
Charge for the year	3,090	13,884	218,311	-	14,722	54,602	304,610
Reclassification	(713)	679	(6,642)	-	(3,949)	10,624	-
Disposals	-	-	-	-	(2,635)	(38,735)	(41,370)
<b>At 31 December 2020</b>	<b>138,791</b>	<b>68,475</b>	<b>1,748,237</b>	<b>-</b>	<b>288,725</b>	<b>199,797</b>	<b>2,444,026</b>
Charge for the year	4,869	2,363	191,344	-	11,470	85,181	295,227
Transfers	(68,349)	(53,364)	-	-	-	-	(121,713)
Transfers to asset held for sale (Note 14)	-	-	(1,830,860)	-	(163,296)	(38,407)	(2,032,563)
Disposals	-	-	-	-	-	(86,940)	(86,940)
Adjustments	-	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>75,311</b>	<b>17,474</b>	<b>108,721</b>	<b>-</b>	<b>136,899</b>	<b>159,631</b>	<b>498,037</b>
<b>Net book value:</b>							
<b>At 31 December 2021</b>	<b>195,083</b>	<b>100,869</b>	<b>103</b>	<b>-</b>	<b>18,549</b>	<b>225,736</b>	<b>540,339</b>
<b>At 31 December 2020</b>	<b>327,255</b>	<b>420,697</b>	<b>853,200</b>	<b>51,601</b>	<b>29,997</b>	<b>148,238</b>	<b>1,830,986</b>

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### 13.1 Adjustments

Adjustments to cost represents spares capitalised as capital work-in-progress in 2020 but written off in the current year because they have been used up during production.

### 13.2 Assets pledged as security

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

### 13.3 Capital commitments

Capital commitments in respect of property, plant and equipment amounted to Nil (2020: Nil).

### 13.4 Transfers

Transfers represent items of construction work in progress completed during the year which were transferred to plant & machinery and furniture, fittings & equipment.

### 13.5 Impairment loss

In 2021, there was no impairment testing carried out because the Agbara plant had been shut down.

In 2020, the Company carried out impairment testing on its Agbara plant and equipment, however, the assets were not impaired.

## 14 Assets held for sale

In line with the shutdown of the manufacturing facility in Agbara, Ogun State, the plant and machinery (N666million), furniture and fittings (N28million), and motor vehicles (N21million) relating to this facility has been presented as asset held for sale. The carrying amount of the assets as at 30 November 2021 was N715million (2020:nil).

In Thousands of Naira	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Total
<b>Cost</b>				
<b>At 1 December 2020</b>	192,020	-	-	192,020
Additions	26,371	-	-	26,371
<b>At 31 December 2020</b>	<b>218,391</b>	-	-	<b>218,391</b>
Transfers from property, plant and equipment(Note 13)	2,497,311	191,702	59,005	2,748,018
<b>At 31 December 2021</b>	<b>2,715,702</b>	<b>191,702</b>	<b>59,005</b>	<b>2,966,409</b>
<b>Depreciation:</b>				
<b>At 1 December 2020</b>	192,020	-	-	192,020
Impairment	26,371	-	-	26,371
<b>At 31 December 2020</b>	<b>218,391</b>	-	-	<b>218,391</b>
Transfers from property, plant and equipment(Note 13)	1,830,860	163,296	38,407	2,032,563
<b>At 31 December 2021</b>	<b>2,049,251</b>	<b>163,296</b>	<b>38,407</b>	<b>2,250,954</b>
<b>Carrying Amount</b>				
<b>At 31 December 2021</b>	<b>666,451</b>	<b>28,406</b>	<b>20,598</b>	<b>715,455</b>
<b>At 31 December 2020</b>	-	-	-	-

## 15 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. The service charges included in the contract have also been capitalised.

In Thousands of Naira	Buildings
<b>Cost</b>	
<b>At 1 January 2020</b>	136,330
Additions	181,343
<b>At 31 December 2020</b>	317,673
Additions	43,441
Disposals (Note 15.1)	(317,674)
<b>At 31 December 2021</b>	<b>43,441</b>
<b>Depreciation:</b>	
<b>At 1 January 2020</b>	50,665
Charge for the year	171,037
<b>At 31 December 2020</b>	221,702
Charge for the year	124,932
Disposals (Note 15.1)	(317,674)
<b>At 31 December 2021</b>	<b>28,960</b>
<b>Carrying Amount</b>	
<b>At 31 December 2021</b>	<b>14,481</b>
<b>At 31 December 2020</b>	<b>95,971</b>

### 15.1 Disposals

Right of use assets are recognised as disposal at the expiration of the lease term.

## 16 Investment Property

In Thousands of Naira	Leasehold Land	Buildings	Total
<b>Cost</b>			
<b>At 1 January 2020</b>			
Addition	-	216,250	216,250
	-	-	-
<b>At 31 December 2020</b>	-	216,250	216,250
Transfers from property, plant and equipment	195,651	370,829	566,480
<b>At 31 December 2021</b>	<b>195,651</b>	<b>587,079</b>	<b>782,730</b>
<b>Depreciation:</b>			
<b>At 1 January 2020</b>			
Charge for the year	-	57,086	57,086
	-	4,325	4,325
<b>At 31 December 2020</b>	-	61,411	61,411
Charge for the year	2,546	11,528	14,074
Transfers from property, plant and equipment	68,349	53,364	121,713
<b>At 31 December 2021</b>	<b>70,895</b>	<b>126,303</b>	<b>197,198</b>
<b>Net book value:</b>			
<b>At 31 December 2020</b>	-	<b>154,839</b>	<b>154,839</b>
<b>At 31 December 2021</b>	<b>124,756</b>	<b>460,776</b>	<b>585,532</b>

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### 16 Investment property (cont'd)

The warehouse building situated at GSK House, 1, Industrial Avenue, Ilupeju, Lagos State which has been owner-occupied since its acquisition in 2007 was leased on 25 June 2021 and the Agbara land and building in line with the shut down of the manufacturing operations have been reclassified as investment property. The land and building have been classified as investment property in line with IAS40:8 that states that it should be classified as investment property where there is an undetermined future use. The basis of valuation is the cost model.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>17 Investment in subsidiary</b>				
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. The Directors do not consider Winster Pharmaceutical Limited (the wholly owned subsidiary) to be a going concern.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>18 Inventories</b>				
Raw materials and consumables	-	1,138,667	-	1,138,667
Work in progress	-	299,739	-	299,739
Finished goods	6,045,400	1,792,254	6,045,400	1,792,254
Engineering spares	-	51,779	-	51,779
<b>Total inventories</b>	<b>6,045,400</b>	<b>3,282,439</b>	<b>6,045,400</b>	<b>3,282,439</b>

In Thousands of Naira	Group			Group		
	December 31, 2021			December 31, 2020		
	Consumer	Pharma	Total	Consumer	Pharma	Total
<b>18.1 Inventories - By Segment</b>						
Raw materials and consumables	-	-	-	1,138,667	-	1,138,667
Work in progress	-	-	-	299,739	-	299,739
Finished goods	1,998,732	4,046,668	6,045,400	1,216,849	575,405	1,792,254
Engineering spares	-	-	-	51,779	-	51,779
<b>Total</b>	<b>1,998,732</b>	<b>4,046,668</b>	<b>6,045,400</b>	<b>2,707,034</b>	<b>575,405</b>	<b>3,282,439</b>

The cost of inventories from continuing operations recognised as an expense and included in cost of sales amounted to N15.3billion (2020: N14.4billion).

There were some inventories written off to cost of sales in the year 2021 of N152.9million (2020: Nil).

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>19 Trade and other receivables</b>				
Trade receivables	4,351,443	4,169,322	4,351,443	4,169,322
Receivables from related parties (Note 27)	279,003	233,163	279,003	233,163
Employee loans and advances	47,465	58,280	47,465	58,280
Receivables from sales of materials	300,211	-	300,211	-
Input Value Added Tax	115,514	-	115,514	-
Others	77,250	189,189	77,250	189,189
	<b>5,170,886</b>	<b>4,649,954</b>	<b>5,170,886</b>	<b>4,649,954</b>

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
<b>19.1 Trade receivables</b>		
Trade receivables	4,486,815	4,280,195
Impairment loss	(135,372)	(110,873)
	<b>4,351,443</b>	<b>4,169,322</b>

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 180 days 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.

2021 In Thousands of Naira	Consumer Segment							Total
	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	0.97%	7.01%	15.90%	24.42%	29.88%	58.60%	100.00%	-
Estimated gross carrying amount at default	990,702	89,285	26,946	-	-	-	43,437	1,150,370
Twelve months ECL	9,627	6,256	4,285	-	-	-	43,437	63,606

2021 In Thousands of Naira	Pharmaceutical Segment - Private Companies							Total
	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	0.00078%	0.029%	0.13%	0.496%	0.691%	1.112%	100.000%	-
Estimated gross carrying amount at default	3,169,092	3,893	-	-	-	-	(21)	3,172,964
Twelve months ECL	25	1	-	-	-	-	(21)	5

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2021	Pharmaceutical Segment - Public Companies							Total
	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	
<b>In Thousands of Naira</b>								
Expected credit loss rate	16.44%	24.99%	28.67%	31.82%	35.93%	44.37%	100.000%	-
Estimated gross carrying amount at default	72,965	4,314	10,194	4,675	17,991	12,197	42,402	164,739
Twelve months ECL	11,996	1,078	2,922	1,487	6,464	5,412	42,402	<b>71,761</b>
<b>TOTAL</b>								<b>135,372</b>

2020	Consumer Segment							Total
	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	
<b>In Thousands of Naira</b>								
Expected credit loss rate	0.020%	2.906%	5.284%	6.782%	10.952%	14.632%	100.000%	-
Estimated gross carrying amount at default	1,121,989	18,561	1,544	6,279	168,220	7,641	43,670	1,367,904
Twelve months ECL	220	539	82	426	18,424	1,118	43,670	<b>64,479</b>

2020	Pharmaceutical Segment - Private Companies							Total
	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	
<b>In Thousands of Naira</b>								
Expected credit loss rate	0.00009%	0.024%	0.107%	0.242%	0.451%	0.812%	100.000%	-
Estimated gross carrying amount at default	2,815,777	-	-	-	-	(187)	-	2,815,590
Twelve months ECL	2	-	-	-	-	(2)	-	-

2020	Pharmaceutical Segment - Public Companies							Total
	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	
<b>In Thousands of Naira</b>								
Expected credit loss rate	4.92%	15.02%	17.37%	21.19%	26.39%	30.52%	100.000%	-
Estimated gross carrying amount at default	39,865	2,976	65	(437)	5,163	9,163	39,906	96,701
Twelve months ECL	1,963	447	11	(93)	1,363	2,797	39,906	<b>46,394</b>
<b>TOTAL</b>								<b>110,873</b>

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
<b>19.2 Movement in the allowance for doubtful debts</b>		
Balance at 1 January	110,873	108,952
Additional provision	87,403	73,494
Recoveries	(62,904)	(71,573)
Balance at 31 December	<b>135,372</b>	<b>110,873</b>

In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>20 Other assets</b>				
Advance to vendor	-	55,629	-	55,629
Advance to bank for bid	130,990	251,248	130,990	251,248
Prepaid rent	38,894	46,550	38,894	46,550
Prepaid insurance	15,703	8,898	15,703	8,898
Other prepayments	17,259	11,450	17,259	11,450
	<b>202,846</b>	<b>373,775</b>	<b>202,846</b>	<b>373,775</b>
Current	202,846	373,775	202,846	373,775
Non Current	-	-	-	-
	<b>202,846</b>	<b>373,775</b>	<b>202,846</b>	<b>373,775</b>

Advance to bank for bid relates to amounts held with bank for participation in foreign exchange bids.

## 21 Cash and cash equivalents

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

### Cash at bank:

Current account balances	10,907,093	11,161,771	10,907,093	11,161,771
Restricted Cash	1,839,477	1,734,971	1,839,477	1,734,971
Cash and cash equivalents	12,746,570	12,896,742	12,746,570	12,896,742
Bank overdraft	-	(11,160)	-	(11,160)
	<b>12,746,570</b>	<b>12,885,582</b>	<b>12,746,570</b>	<b>12,885,582</b>

Restricted cash relates to unclaimed dividend held with the bank.

## 22 Issued capital and share premium

### 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

### 22.1 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
	51,395	51,395	51,395	51,395

### 22.2 Share Premium

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In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>23 Trade and other payables</b>				
Trade payables	480,899	746,702	480,899	746,702
Amounts due to related parties (Note 27)	11,752,606	9,332,079	11,939,520	9,521,727
Unclaimed dividends (Note 23.2)	1,274,998	1,280,929	1,274,998	1,280,929
Dividend payable (Note 23.1)	804,865	582,836	804,865	582,836
VAT payables (Note 23.3)	-	15,704	-	15,704
Other payables	368,957	528,878	368,957	528,878
Accruals	2,049,525	1,092,515	2,045,861	1,088,631
	<b>16,731,849</b>	<b>13,579,643</b>	<b>16,915,100</b>	<b>13,765,407</b>

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

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

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

### 23.1 Dividend Payable

1 January	582,836	277,541	582,836	277,541
Dividend declared	478,351	657,732	478,351	657,732
Dividend paid	(256,322)	(352,437)	(256,322)	(352,437)
<b>31 December</b> (Note 23)	<b>804,865</b>	<b>582,836</b>	<b>804,865</b>	<b>582,836</b>

### 23.2 Unclaimed dividends

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

In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>23.3 VAT Payable</b>				
At 1 January	-	9,476	-	9,476
Additions	-	196,689	-	196,690
VAT Paid	-	(147,666)	-	(147,666)
Input VAT	-	(42,795)	-	(42,795)
<b>31 December</b> (Note 23)	<b>-</b>	<b>15,704</b>	<b>-</b>	<b>15,704</b>

In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>23.4 Pension Contribution</b>				
At 1 January	-	-	-	-
Addition during the year	129,832	134,387	129,832	134,387
Remittance to administrator	(129,832)	(134,387)	(129,832)	(134,387)
Write back	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
<b>24 Contract Liabilities</b>		
Advance from customers	82,595	9,844
Trade incentives	8,246	95,762
	<b>90,841</b>	<b>105,606</b>

## 25 Share-based payments

### Equity-settled share option plan

The Group does not have an equity settled share option plan.

### Cash-settled share-based payments

"In terms of a long term incentive plan, the eligible members of senior management are entitled to receive cash settled awards at the end of a three year 'restricted period', provided they remain in continuous employment with the Group for the aforesaid period. The value of such incentive is based on the price of shares of GlaxoSmithKline Plc, UK.

The fair value of the amount payable to employees in respect of long term incentive plan, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the shares of GlaxoSmithKline Plc, UK. Any changes in the liability are recognised in the statement of profit or loss.

The Group has recorded liabilities of N26.3million as at 31 December 2021 (2020: N30.7million) and this is included as part of payroll costs in administrative expenses (Note 7). The Group recorded total expenses of N6million in 2021 (2020: N44.4million) respectively, as shown in the table below:

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
At 1 January	30,730	-
Expensed during the year	6,027	44,442
Settlement during the year	(10,478)	(13,712)
<b>At 31 December</b>	<b>26,279</b>	<b>30,730</b>

## 26 Lease liabilities (Obligation under leases)

The Company recognised lease liabilities in line with IFRS 16 as analysed below. No liability amount was disclosed separately in 2020.

In Thousands of Naira	Group & Company	
	31 December 2021	31 December 2020
At 1 January	106,610	70,176
Additions	43,441	103,502
Accretion of interest	4,669	39,150
Payments	(153,220)	(106,218)
<b>At 31 December</b>	<b>1,500</b>	<b>106,610</b>
Current	1,500	106,610
Non-current	-	-
	<b>1,500</b>	<b>106,610</b>

**27 Related party disclosures**

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

The following table provides the total amount of transactions that have been entered into with related parties, as well as the outstanding balances for the transactions as at 31 December 2021 and 31 December 2020.

	GROUP AND COMPANY				GROUP				COMPANY			
	Sales of goods to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Sales of goods to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Sales of goods to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
In Thousands of Naira	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>Subsidiary:</b>												
Winster Pharmaceuticals Limited:	-	-	-	-	-	-	-	-	-	-	186,913	189,648
<b>Other sister companies:</b>												
GSK Pharmaceutical Nigeria Limited	-	-	1,854,181	-	1,313,612	998,866	-	-	1,313,612	998,866	-	-
GSK Biological Manufacturing Limited	-	18,758	53,973	-	27,174	55,942	-	-	27,174	55,942	-	-
GSK Consumer Healthcare S.A. Pty Ltd	-	-	-	-	26,278	-	-	-	26,278	-	-	-
GlaxoSmithKline Export Limited UK	-	8,795,126	4,389,711	-	6,293,782	4,830,881	-	-	6,293,782	4,830,881	-	-
GlaxoSmithKline Consumer Trading Services (UDE)	-	2,402,947	1,106,468	279,003	198,850	432,852	279,003	198,850	-	432,852	-	-
GlaxoSmithKline Limited, Kenya	-	-	-	1,716	-	-	-	1,716	-	-	-	-
Gw South Africa Pty	-	-	-	-	70,118	29,747	-	-	70,118	29,747	-	-
GSK Consumer Holdings US LLC	-	-	-	-	14,028	-	-	-	14,028	-	-	-
GSK CTS UK	148,456	67,697	-	-	-	-	-	-	-	-	-	-
GSK OPS UK Area	-	-	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Pte. Ltd.	-	-	6,668,301	32,597	3,889,712	-	-	32,597	3,889,712	-	-	-
GSK Trading Service	-	-	2,828,746	-	2,975,274	-	-	-	2,975,274	-	-	-
GlaxoSmithKline Consumer Healthcare UK TA	-	-	-	-	12,435	-	-	-	12,435	-	-	-
GlaxoSmithKline Biological SA	-	-	-	-	11,466	-	-	-	11,466	-	-	-
GlaxoSmithKline Services Unlimited	-	-	-	-	94,001	8,517	-	-	94,001	8,517	-	-
<b>Total</b>	<b>148,456</b>	<b>67,697</b>	<b>17,885,132</b>	<b>10,233,079</b>	<b>279,003</b>	<b>233,163</b>	<b>11,752,606</b>	<b>9,332,079</b>	<b>279,003</b>	<b>233,163</b>	<b>11,939,520</b>	<b>9,521,727</b>

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

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

In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>27 Related party disclosures Cont'd</b>				
<b>Receivable from related parties:</b>				
Local	-	-	-	-
Foreign	279,003	233,163	279,003	233,163
	<b>279,003</b>	<b>233,163</b>	<b>279,003</b>	<b>233,163</b>
<b>Payable to related parties:</b>				
Local	1,313,612	998,866	1,313,612	1,188,514
Foreign	10,438,995	8,333,213	10,625,908	8,333,213
	<b>11,752,606</b>	<b>9,332,079</b>	<b>11,939,520</b>	<b>9,521,727</b>

There were sales to related parties in the year of N148million for the year ended 31 December 2021 (2020: N68million).

### 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 N1.8billion (2020: N170million) 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 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020: N148million). 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	
	31 December 2021	31 December 2020
<b>28 Compensation of key management personnel of the Group</b>		
Short-term employee benefits	169,942	205,909
Defined contribution	10,879	12,999
<b>Total compensation paid to key management personnel</b>	<b>180,821</b>	<b>218,908</b>

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 (2020 : nil).

	Group & Company	
	31 December 2021 (in Numbers)	31 December 2020 (in Numbers)
<b>29 Directors and employees information</b>		
<b>29.1 Employees</b>		
Administration	10	26
Sales and distribution	26	24
Marketing	3	3
Production	25	60
	<b>64</b>	<b>113</b>

Winster Pharmaceuticals Limited does not have employees.

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

Decline in number of employees classified as administration and production is as a result of the shutdown of the manufacturing site. A provision has been taken in the books of N471million in cost of sales for these employees unpaid as at 31 December 2021.

The number of employees of the Company, other than directors, who earned more than N2m in the year were as follows:

Naira	Group & Company	
	31 December 2021 (in Numbers)	31 December 2020 (in Numbers)
2,000,001 to 2,500,000	-	-
2,500,001 to 3,000,000	-	7
3,000,001 to 3,500,000	-	9
3,500,001 to 4,000,000	1	15
4,000,001 to 4,500,000	6	9
4,500,001 to 5,000,000	4	3
5,000,001 to 5,500,000	3	-
5,500,001 to 6,000,000	1	3
6,000,001 and above	49	67
	<b>64</b>	<b>113</b>
	<b>In Thousands of Naira</b>	
	<b>90,599</b>	<b>73,704</b>

### 29.2 Directors

The remuneration paid to directors of the Group was:

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

Naira	Group & Company	
	31 December 2021 (in Numbers)	31 December 2020 (in Numbers)
The Chairman	7,679	8,112
The highest paid director	56,411	43,190

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 2021 (in Numbers)	31 December 2020 (in Numbers)
- to 1,000,000	1	4
1,000,001 to 2,000,000	-	-
2,000,001 to 3,000,000	-	-
3,000,001 to 8,000,000	3	2
8,000,001 to 9,000,000	-	1
9,000,001 to 30,000,000	-	-
30,000,001 and above	3	2
	<b>7</b>	<b>9</b>

### 30 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 N81million (2020: N100 million). Based on the facts, it is the opinion of the directors that the effect of the current actions will not be material.

### 31 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	
	2021	2020	2021	2020
USD	10,236,162	9,216,005	279,003	560,012
GBP	132,713	8,517	-	81,958
Others	70,118	35,808	-	-

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	USD Impact		GBP Impact		Others	
	2021	2020	2021	2020	2021	2020
	995,716	865,599	13,271	(7,344)	7,012	3,581

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

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

### iii 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 Thousands of Naira	Credit rating by counter party								Total
	Unrated	BBB	B-	AAA	AA-	B+	A-	A+	
<b>Group</b>									
Cash in bank and short term deposits (2021)	-	-	1,544,581	3,737,253	-	2,654,896	-	2,970,362	<b>10,907,092</b>
Cash in bank and short term deposits (2020)	-	-	-	-	8,600,766	-	12	4,295,964	<b>12,896,742</b>
<b>Company</b>									
Cash in bank and short term deposits (2021)	-	-	1,544,581	3,737,253	-	2,654,896	-	2,970,362	<b>10,907,092</b>
Cash in bank and short term deposits (2020)	-	-	-	-	8,600,766	-	12	4,295,964	<b>12,896,742</b>

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 2021, the Group had 103 customers. One customer owed the Group N3.7billion which represents 84% 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.

In Thousands of Naira	Group & Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
The maximum exposure to credit risk at the reporting date was:				
Trade and other receivables (Note 19)	5,170,886	4,649,954	5,170,886	4,649,954
Cash and bank balances (Note 21)	12,746,570	12,885,582	12,746,570	12,885,582
	<b>17,917,456</b>	<b>17,535,536</b>	<b>17,917,456</b>	<b>17,535,536</b>

**iv. Liquidity risk**

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

In Thousands of Naira	On demand	3 to 12 months	Total
<b>Group</b>			
<b>As at 31 December 2021</b>			
Other current financial liabilities	-	-	-
Trade and other payables	-	16,731,849	16,731,849
	-	<b>16,731,849</b>	<b>16,731,849</b>
<b>As at 31 December 2020</b>			
Other current financial liabilities	-	-	-
Trade and other payables	-	13,579,643	13,579,643
	-	<b>13,579,643</b>	<b>13,579,643</b>
<b>Company</b>			
<b>As at 31 December 2021</b>			
Other current financial liabilities	-	-	-
Trade and other payables	-	16,915,099	16,915,099
	-	<b>16,915,099</b>	<b>16,915,099</b>
<b>As at 31 December 2020</b>			
Other current financial liabilities	-	-	-
Trade and other payables	-	13,765,407	13,765,407
	-	<b>13,765,407</b>	<b>13,765,407</b>

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 2021 and 31 December 2020, 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 carrying 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.

## Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

The different levels have been defined as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

### b) Financial liabilities and assets

Set out below is a comparison by category of the carrying values and fair values of all the Group's financial assets and financial liabilities as at 31 December 2021 and 31 December 2020. None of the financial assets and liabilities has been reclassified during the year.

in Thousands of Naira	Group		Company	
	Carrying amount and fair value 2021	Carrying amount and fair value 2020	Carrying amount and fair value 2021	Carrying amount and fair value 2020
<b>Loans and receivables</b>				
- Cash and bank balances	12,746,570	12,896,742	12,746,570	12,896,742
- Trade and other receivables (excluding non-financial assets)	5,170,886	4,649,954	5,170,886	4,649,954
	<b>17,917,456</b>	<b>17,546,696</b>	<b>17,917,456</b>	<b>17,546,696</b>
<b>Financial liabilities</b>				
- Trade and other payables (except non-financial liabilities)	<b>16,733,349</b>	<b>13,697,413</b>	<b>16,916,599</b>	<b>13,883,177</b>

### Capital management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021.

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



# Notes to the Consolidated and Separate Financial Statements Cont'd

For the year ended 31 December 2021

In Thousands of Naira	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Trade and other payables (Note 23)	16,731,849	13,686,253	16,915,099
Borrowing	-	11,160	-	11,160
	16,731,849	13,697,413	16,915,099	13,883,177
Less: cash and bank balances (Note 21)	12,746,570	12,896,742	12,746,570	12,896,742
Net debt	3,985,279	800,671	4,168,529	986,435
Equity	9,299,450	9,118,990	9,130,105	8,947,132
Capital and net debt	13,284,729	9,919,661	13,298,634	9,933,567
<b>Gearing ratio (Cap to Zero)</b>	<b>30%</b>	<b>8%</b>	<b>31%</b>	<b>10%</b>

### 32 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.

### 33 COVID-19 Impact Assessment

Given the continued unpredictability of the impact of the outbreak on the global economy in 2021, the following are some of the impacts on GSK's business:

- Limitations in accessibility of Forex and increased cost of the same placed additional pressure on our inbound shipments for inventory replenishments and production materials.
- Ancillary costs like freight in the short term leading to additional cost of production.

GSK continues to support local and global efforts to tackle the virus while closely monitoring developments around this to enable us respond appropriately to potential risks.

### 34 Impact of the ongoing conflict between Russia and Ukraine

This is an evolving situation and the management will continue to monitor developments for any potential impact and respond appropriately.

### 35 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 2021 which have not been adequately provided for or disclosed in these financial statements.

### 36 Financial commitments

The Group makes use of both bills of collection and letter of credits to import products used in the course of production and other materials. There were no open LCs as at 31 December 2021. (2020 : N114.9million).

### 37 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 was effective Q4 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.

By 31 December 2021, the Board of Directors had approved the advertisement for sale of the manufacturing site assets excluding land and buildings. The land and buildings have been designated as investment property pending further decision by the Board of Directors.

### 38 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.

Statement of **Value Added (other national disclosures)**

For the year ended 31 December 2021

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Turnover	22,449,824		21,295,249		22,449,824		21,295,249	
Investment income	93,545		71,482		93,545		71,482	
Other gains and losses	106,633		166,711		106,633		160,973	
	22,650,002		21,533,442		22,650,002		21,527,704	
<b>Bought-in-materials</b>								
- Local	(9,172,505)		(8,629,319)		(9,171,329)		(8,626,270)	
- Imported	(10,449,606)		(9,830,790)		(10,448,267)		(9,827,317)	
	(19,622,110)		(18,460,109)		(19,619,597)		(18,453,587)	
<b>Value added</b>	<b>3,027,892</b>	<b>100%</b>	<b>3,073,333</b>	<b>100%</b>	<b>3,030,406</b>	<b>100%</b>	<b>3,074,117</b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>Employees</b>								
Salaries and benefits	1,647,907	54%	1,593,139	52%	1,647,907	54%	1,593,139	52%
<b>Provider of funds</b>								
Interest	-	-	-	-	-	-	-	-
<b>Government</b>								
Taxation	67,208	2%	748,103	24%	67,208	2%	748,103	24%
<b>The Future</b>								
Depreciation	434,233	14%	479,972	16%	434,233	14%	479,972	16%
Profit or loss account	658,811	22%	622,230	20%	661,325	22%	623,014	20%
Deferred tax credit	219,733	8%	(370,111)	(12%)	219,733	8%	(370,111)	(12%)
	<b>3,027,892</b>	<b>100%</b>	<b>3,073,333</b>	<b>100%</b>	<b>3,030,406</b>	<b>100%</b>	<b>3,074,117</b>	<b>100%</b>

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 (other national disclosures)

For the year ended 31 December 2021

In Thousands of Naira	2021	2020	2019	2018	2017
<b>THE GROUP</b>					
<b>Assets employed</b>					
Non-current assets	1,371,575	2,532,752	2,391,267	2,361,743	2,314,920
Net current assets	7,954,154	6,616,968	6,761,801	6,578,125	14,857,167
Deferred taxation liability	-	-	-	(107,085)	-
Share based payment liability	(26,279)	(30,730)	-	-	-
	<b>9,299,450</b>	<b>9,118,990</b>	<b>9,153,068</b>	<b>8,832,783</b>	<b>17,172,087</b>
<b>Financed by</b>					
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	8,650,116	8,469,656	8,503,734	8,183,449	16,522,753
	<b>9,299,450</b>	<b>9,118,990</b>	<b>9,153,068</b>	<b>8,832,783</b>	<b>17,172,087</b>
<b>Turnover and Profit</b>					
Turnover	22,449,824	21,295,249	20,760,320	18,411,475	16,089,728
Gross profit	6,179,689	5,914,756	6,052,300	5,928,151	4,479,568
Profit before interest charges and taxation	950,421	1,039,372	1,169,331	1,160,154	1,124,269
Interest charges	(4,669)	(39,150)	-	-	-
Profit before taxation	945,752	1,000,222	1,169,331	1,160,154	1,124,269
Taxation	(286,941)	(377,992)	(252,227)	(542,530)	(637,836)
<b>Profit after taxation</b>	<b>658,811</b>	<b>622,230</b>	<b>917,104</b>	<b>617,624</b>	<b>486,433</b>
Profit before taxation as a percentage of turnover	4%	5%	6%	7%	1%
Proposed dividend***	538,144	478,351	657,732	597,938	478,351
Dividend per share (kobo)	45	40	55	50	40
Earnings per share (kobo)	55	52	77	52	41

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

## Five Years Financial Summary (other national disclosures)

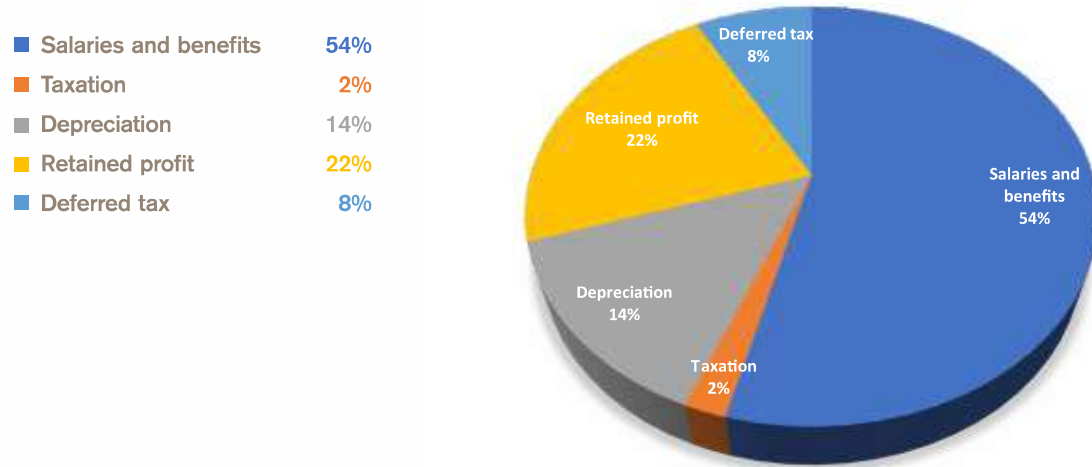
For the year ended 31 December 2021

In Thousands of Naira	2021	2020	2019	2018	2017
<b>THE COMPANY</b>					
<b>Assets employed</b>					
Non-current assets	1,371,735	2,532,912	2,391,427	2,361,903	2,315,080
Net current assets	7,784,649	6,444,950	6,588,998	6,396,373	14,665,137
Deferred tax liability	-	-	-	(107,085)	-
Share based payment liability	(26,279)	(30,730)	-	-	-
	<b>9,130,105</b>	<b>8,947,132</b>	<b>8,980,425</b>	<b>8,651,191</b>	<b>16,980,217</b>
<b>Financed by</b>					
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	8,480,771	8,297,798	8,331,091	8,001,857	16,330,883
	<b>9,130,105</b>	<b>8,947,132</b>	<b>8,980,425</b>	<b>8,651,191</b>	<b>16,980,217</b>
<b>Turnover and Profit</b>					
Turnover	22,449,824	21,295,249	20,760,320	18,411,475	16,089,728
Gross profit	6,179,689	5,914,756	6,052,300	6,052,300	4,479,568
Profit before interest charges and taxation	948,266	1,040,156	1,178,281	1,160,824	1,123,136
Interest charges	(4,669)	(39,150)	-	-	-
Profit before taxation	948,266	1,001,006	1,178,281	1,160,824	1,123,136
Taxation	(286,941)	(377,992)	(252,227)	(542,435)	(637,836)
<b>Profit for the year</b>	<b>661,325</b>	<b>623,014</b>	<b>926,054</b>	<b>618,389</b>	<b>485,300</b>
Profit before taxation as a percentage of turnover	4%	5%	6%	6%	3%
Proposed dividend***	538,144	478,351	657,732	657,732	478,351
Dividend per share (kobo)	45	40	55	50	40
Earnings per share (kobo)	<b>55</b>	<b>52</b>	<b>77</b>	<b>52</b>	<b>41</b>

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

## Statement of Value Added (Chart)

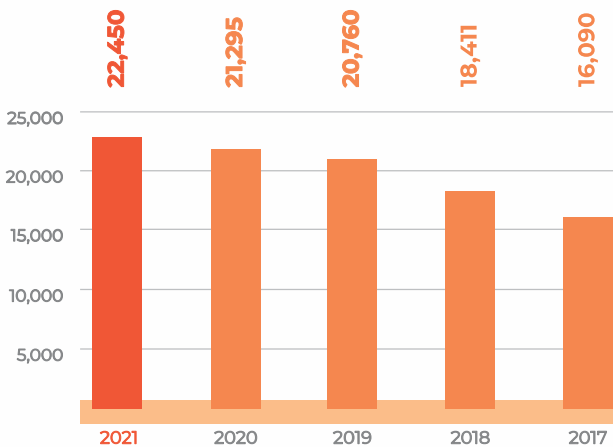
For the year ended 31 December 2021



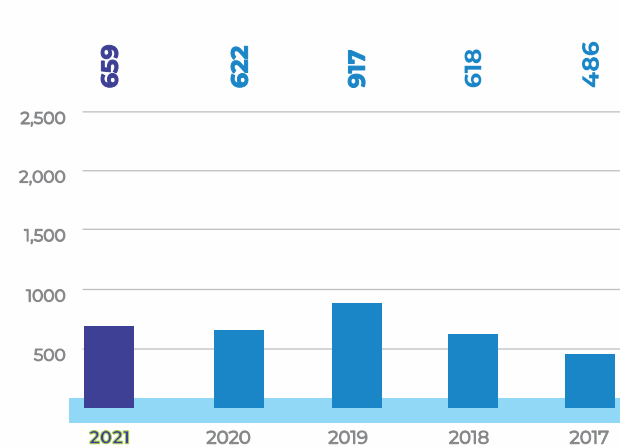
## Five Year Financial Trend

For the year ended 31 December 2021

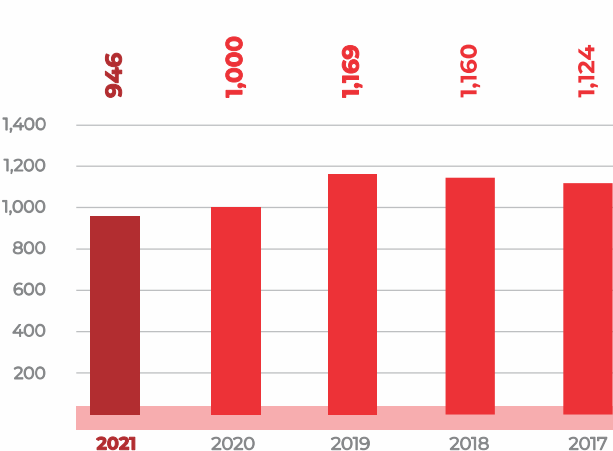
### Turnover (in millions of Naira)



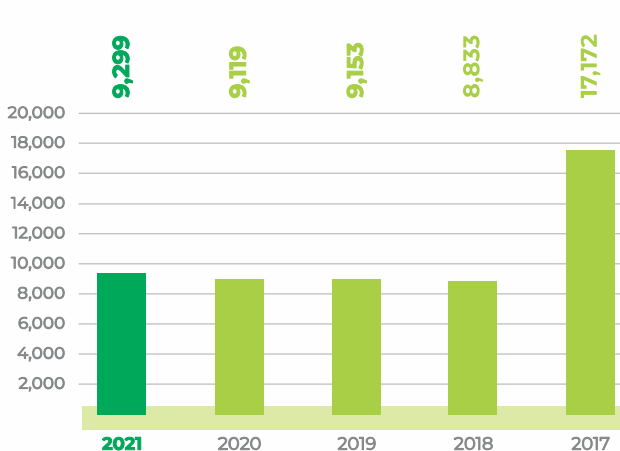
### Profit After Tax (in millions of Naira)



### Profit Before Tax (in millions of Naira)



### Shareholders' Funds (in millions of Naira)



# Shareholders' Information

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# Share Capital History

YEAR	AUTHORIZED SHARE CAPITAL	VALUE (NAIRA)	FULLY ISSUED SHARE CAPITAL	VALUE (NAIRA)	DESCRIPTION
1980	8,000,100	4,000,050	11,717,386	5,858,693	
1981	16,000,144	8,000,072	23,434,772	11,717,386	BONUS: 1:1
1982	16,000,144	8,000,072	23,434,772	11,717,386	
1983	16,000,144	8,000,072	23,434,772	11,717,386	
1984	32,000,176	16,000,088	46,869,544	23,434,772	BONUS: 1:1
1985	32,000,176	16,000,088	46,869,544	23,434,772	
1986	32,000,176	16,000,088	46,869,544	23,434,772	
1987	32,000,176	16,000,088	46,869,544	23,434,772	
1988	56,000,308	28,000,154	82,021,706	41,010,853	BONUS: 3:4
1989	56,000,308	28,000,154	82,021,706	41,010,853	
1990	84,000,462	42,000,231	123,032,560	61,516,280	BONUS: 1:2
1991	84,000,462	42,000,231	123,032,560	61,516,280	
1992	126,000,694	63,000,347	184,548,840	92,274,420	BONUS: 1:2
1993	126,000,694	63,000,347	184,548,840	92,274,420	
1994	252,001,388	126,000,694	369,097,680	184,548,840	BONUS: 1:1
1995	400,000,000	200,000,000	553,646,520	276,823,260	BONUS: 1:2
1996	800,000,000	400,000,000	664,375,827	332,187,914	BONUS: 1:5
1997	800,000,000	400,000,000	664,375,827	332,187,914	
1998	800,000,000	400,000,000	664,375,827	332,187,914	
1999	800,000,000	400,000,000	797,250,992	332,187,914	BONUS: 1:5
2000	800,000,000	400,000,000	797,250,992	398,625,496	
2001	800,000,000	400,000,000	797,250,992	398,625,496	
2002	800,000,000	400,000,000	797,250,992	398,625,496	
2003	800,000,000	400,000,000	797,250,992	398,625,496	
2004	800,000,000	400,000,000	797,250,992	398,625,496	
2005	960,000,000	480,000,000	956,701,190	478,350,595	BONUS: 1:5
2006	960,000,000	480,000,000	956,701,190	478,350,595	
2007	960,000,000	480,000,000	956,701,190	478,350,595	
2008	960,000,000	480,000,000	956,701,190	478,350,595	
2009	960,000,000	480,000,000	956,701,190	478,350,595	
2010	960,000,000	480,000,000	956,701,190	478,350,595	
2011	960,000,000	480,000,000	956,701,190	478,350,595	
2012	960,000,000	480,000,000	956,701,190	478,350,595	
2013	960,000,000	480,000,000	956,701,190	478,350,595	
2014	960,000,000	480,000,000	956,701,190	478,350,595	
2015	960,000,000	480,000,000	956,701,190	478,350,595	
2016	1,500,000,000	750,000,000	1,195,876,488	597,938,244	BONUS: 1:4
2017	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
2018	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
2019	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
2020	1,500,000,000	750,000,000	1,195,876,488	597,938,244	
2021	1,500,000,000	750,000,000	1,195,876,488	597,938,244	

# Shareholders' Information

For the year ended 31 December 2021

## 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	5/24/2019
2019	44	657,732,068.40	0.55	7/24/2020
2020	45	478,350,595.20	0.40	5/28/2021

### Unclaimed Dividend as at 31/12/2021

YEAR	AMOUNT UNCLAIMED (N)
2009	22,641,884.64
2010	27,213,401.06
2011	103,374,838.44
2012	68,380,683.84
2013	71,266,267.80
2014	68,330,065.05
2015	38,102,998.90
2016	25,426,386.00
2016	50,178,928.56
2017	29,444,295.90
2018	718,630,315.54
2018	44,830,108.40
2019	54,699,541.30
2020	72,661,190.43
2021	49,703,615.52
<b>TOTAL</b>	<b>1,444,884,521.38</b>

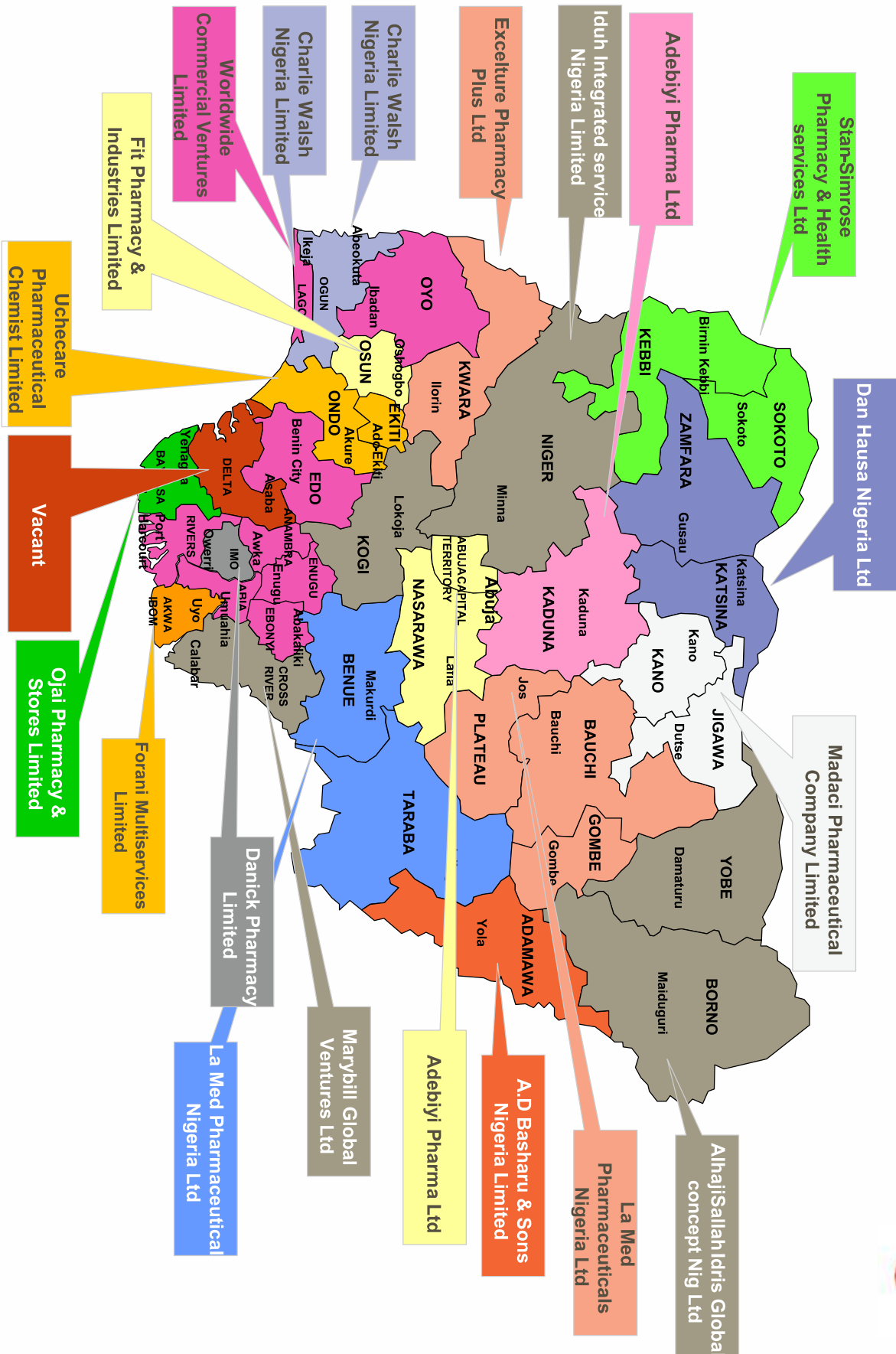
For Unclaimed Dividend,

**Contact:**

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



# GSK Distributors' Footprint



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## GSK 50th Annual General Meeting



Cross section of the Directors of the Company, Shareholders' Representatives and the former Company Secretary, Mr. Uchenna Uwechia



Chairman of the Statutory Audit Committee, Mr. Kashimawo Talwo, while reading the Report of the Committee



Cross section of Proxies voting at the Annual General Meeting



The Company Secretarial Team and Representatives of Greenwich Registrars and Data Solutions Limited



Mr. Adekunle Adedoyin bidding the former Company Secretary farewell



Cross section of the Directors, Former Company Secretary and the External Auditor's Partner, Mrs. Stella Mba

## Board Strategy Session

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The Board of Directors; Company Secretary; Former Managing Director of Exxon Mobil, Mr. Olu Onakoya and the Chief Executive Officer of HNC Professional Services, Mrs. Hilda Nkor.



Cross section of the Board and Management at the 2022 Board Strategy Session



Members of the Board listening attentively during the Board Strategy Session.

# Letter from **Greenwich Registrars**

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## 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.



# E-DIVIDEND MANDATE ACTIVATION FORM

Date

DD	MM	YY

## Instructions

Please complete **all sections** of this form to make it eligible for processing and return to the address below:

**The Registrar  
Greenwich Registrars & Data Solutions Limited  
274 Murtala Muhammed Way, Yaba, Lagos**

## Bank Mandate Information

I\We hereby request that henceforth, all the Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number	
Bank Name	
Bank Account Number	
Account Opening Date	DD MM YY

## Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)
<b>Address</b>		
<b>City</b>	<b>State</b>	<b>Country</b>
<b>Previous Address (if any)</b>		
<b>CSCS Clearing House Number</b>	<b>Email Address</b>	
<b>Mobile Number (1)</b>	<b>Mobile Number (2)</b>	
<b>Shareholder's Signature</b>	<b>2<sup>nd</sup> Signatory (Joint/Company Accounts)</b>	
<b>Company Seal (if applicable)</b>	<p><small>By signing above, the Grantee(s) consents that the Company may process the Grantee's personal data, including name, BVN, address, telephone number and any other relevant information/documentation provided during the course of this transaction. Also, the Data may also be disclosed to a third party for the purpose of processing the transaction.</small></p>	

## Only Clearing Banks Are Acceptable

Tick	Company Name	Shareholders Account No.
	11 PLC	
	2LP Management Company Limited Series 1	
	Abplast Products PLC	
	Allianz Nigeria PLC (erstwhile Union Assurance Company Limited; Ensure Insurance)	
	Aluminum Extrusion PLC	
	Axxela Bond	
	Cashew Nuts Processing Industries PLC	
	Chellarams PLC	
	Christlieb PLC	
	DANA Group of Companies PLC Series 1 & 2	
	DN Tyre & Rubber PLC	
	Ekiti State Bond Tranche 2	
	Ekiti State Government Bond	
	EKOCORP PLC	
	Eterna PLC	
	FAN Milk PLC	
	General Telecoms PLC	
	GlaxoSmithKline Nigeria PLC	
	Global Biofuel Nigeria LTD	
	Great Nigeria Insurance PLC	
	Greenwich Alpha ETF	
	Greenwich Money Market Fund	
	Ikeja Hotels PLC	
	Impresit Bakolori PLC	
	Industrial & General Insurance PLC	
	IPWA PLC	
	John Holts PLC	
	Julius Berger Nigeria PLC	
	Kajola Integrated & Investment Company PLC	
	Lennard Nigeria PLC	
	Local Contractors Receivables Bond Tranche 1, 2 & 3	
	Meyer PLC	
	Municipality Waste Management Contractors Limited Series I,II & III	
	Nestle Nigeria PLC	
	Nigeria Cement Company PLC	
	Nigeria Entertainment Fund	
	Nigeria Reinsurance	
	Nigerian Enamelware PLC	
	Nigerian Lamp & Industries	
	Nigerian Wire & Cable PLC	
	Nova Bond Series I	
	Okitipupa Oil Palm PLC	
	Oluwa Glass Company	
	Primero BRT Securitization SPV	
	Studio Press Nigeria PLC	
	Sush SPV Bond II	
	The Tourist Company of Nigeria PLC	
	Tripple Gee & Company PLC	
	Unilever Nigeria PLC	
	Union Homes REITS	
	Union Homes Savings & Loans PLC	
	University Press PLC	
	Wema Bank PLC	
	Wema Funding SPV Plc Bond Series I & II	

**Affix  
N50.00 Postage Stamp  
Here**

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

# Proxy Form



**51ST ANNUAL GENERAL MEETING OF GLAXOSMITHKLINE CONSUMER NIGERIA PLC TO BE HELD AT 11.00 A.M. ON THURSDAY, 26TH MAY 2022 AT ITS HEAD OFFICE, GSK NIGERIA HOUSE, 1, INDUSTRIAL AVENUE 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, Mrs. Oludewa Edodo-Thorpe or failing her, Sir. Sunny Nwosu or failing him, Mr. Nornah Awoh or failing him, Mr. Kolawole Durojaiye or failing him, Mr. Adekunle Adedoyin or failing him, Ms. Ganiat Adetutu Siyonbola as my/our Proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on 26th May 2022 and at any adjournment thereof.  
 Dated this.....day of.....2022  
 Signature.....

**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 (the 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 Annual General Meeting (AGM) shall only be by proxy as approved by the Board and the Commission. A member of the Company entitled to attend and vote at the meeting is entitled to appoint any of the approved proxy to attend and vote in his/her/its place. 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	<input type="checkbox"/>	Mr. Kunle Oyelana	<input type="checkbox"/>
Mr. Samuel Kuye	<input type="checkbox"/>	Mrs. Oludewa Edodo-Thorpe	<input type="checkbox"/>
Sir. Sunny Nwosu	<input type="checkbox"/>	Mr. Nornah Awoh	<input type="checkbox"/>
Mr. Kolawole Durojaiye	<input type="checkbox"/>	Mr. Adekunle S. Adedoyin	<input type="checkbox"/>
Ms. Ganiat Adetutu Siyonbola	<input type="checkbox"/>		

- ii. Please sign this form and deposit it with the Registrar, Greenwich Registrars & Data Solution Limited, 274 Murtala Muhammed Way, 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 arrangement to bear the cost of stamp duties on the instruments of proxy.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>Ordinary Business (Ordinary Resolution)</b>			
1. To declare a Final Dividend.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To elect / re-elect Directors:			
I. Ms. Amina Salihu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II. Mr. Samuel Kuye	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III. Mrs. Oludewa Edodo-Thorpe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To authorize the Directors to fix the remuneration of the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To disclose the remuneration of Managers of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect the Members of the Audit Committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Business (Ordinary Resolution)</b>			
6. To fix the remuneration of the Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorize the Company to procure goods and services necessary for its operations from related parties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


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.

**GLAXOSMITHKLINE CONSUMER NIGERIA PLC 51ST 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 the corporate Head Office, GSK Nigeria House, 1, Industrial Avenue, Ilupeju, Lagos at 11.00 a.m. on Thursday, 26th May 2022.

Name of Shareholder/Proxy & Address .....  
 Number of shares held .....

Signature of person attending : .....

  
**Frederick Ichekwai**  
 Company Secretary

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

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

Corporate Report  
Financial Statements  
Shareholders' Information

**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 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

Frederick Ichekwai  
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.**



# Designed for people with sensitive teeth.



Designed for effective cleaning



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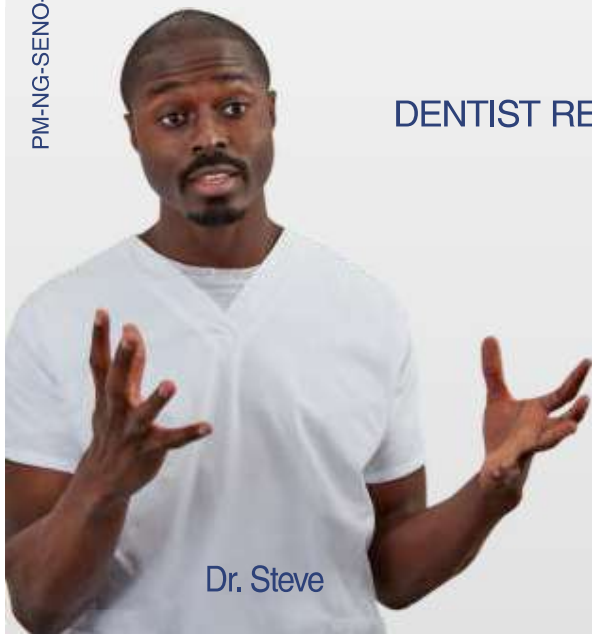


Compact head for easy reach



PM-NG-SENSO-20-00064

DENTIST RECOMMENDED BRAND.



Dr. Steve

**RAPID RELIEF**



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5

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**Macleans**

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