GLAXOSMITHKLINE CONSUMER NIGERIA PLC

UNAUDITED CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

GlaxoSmithKline Consumer Nigeria Plc

Unaudited consolidated and separate statement of profit or loss and other comprehensive income
For the period ended 31 March 2019

	Notes	GROUP			COMPANY		
		Three months ended 31 March, 2019 N'000	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**	**Three months ended 31 March, 2019 N'000**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
Revenue	4	5,013,872	18,411,475	4,214,372	5,013,872	18,411,475	4,214,372
Cost of sales		(3,537,839)	(11,654,697)	(3,002,160)	(3,537,839)	(11,654,697)	(3,002,160)
Gross profit		1,476,033	6,756,778	1,212,212	1,476,033	6,756,778	1,212,212
Investment income	6	57,335	380,537	57,042	57,335	379,410	57,042
Other gains and losses	7	(164,476)	(634,314)	317,948	(164,476)	(634,314)	309,798
Selling and distribution costs	5a	(800,562)	(3,096,566)	(658,103)	(800,562)	(3,096,566)	(658,103)
Administrative expenses	5a	(417,689)	(2,246,281)	(560,110)	(417,689)	(2,244,484)	(551,960)
Profit before tax		150,641	1,160,154	368,989	150,641	1,160,824	368,989
Income tax expense	9.1	(48,205)	(542,530)	(110,697)	(48,205)	(542,435)	(110,697)
Total profit after tax for the year		**102,436**	**617,624**	**258,292**	**102,436**	**618,389**	**258,292**
Other comprehensive income net of income tax:							
Items that will not be reclassified to profit or loss:		-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year, net of tax		102,436	**617,624**	**258,292**	102,436	**618,389**	**258,292**
Profit for the year attributable to:							
Shareholders of the Company		102,436	617,624	258,292	102,436	618,389	258,292
Non-controlling interest		-	-	-	-	-	-
		102,436	617,624	258,292	**102,436**	618,389	258,292
Total comprehensive income for the year attributable to:							
Shareholders of the Company		102,436	617,624	258,292	102,436	618,389	258,292
Non-controlling interest		-	-	-	-	-	-
		102,436	617,624	258,292	**102,436**	618,389	258,292
Basic and diluted earnings per share (Kobo)							
From continuing operations	10	9	52	22	52	52	22
From continuing and discontinuing operations	10	9	52	22	52	52	22

GlaxoSmithKline Consumer Nigeria Plc
Unaudited consolidated and separate statement of financial position
For the period ended 31 March 2019

		GROUP			COMPANY		
	Notes	**Three months ended 31 March, 2019 N'000**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**	**Three months ended 31 March, 2019 N'000**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
Assets							
Non-current assets							
Property, plant and equipment	11	2,217,271	2,358,860	2,232,898	2,217,271	2,358,860	2,232,899
Investment in subsidiary	12	-	-	-	160	160	160
Deferred tax asset	9.2	-	-	-	-	-	-
Other assets	15	-	2,883	-	-	2,883	-
		2,217,271	2,361,743	2,232,898	2,217,431	2,361,903	2,233,059
Current assets							
Inventories	13	3,248,373	3,938,707	3,624,689	3,248,373	3,938,707	3,624,689
Right of return of asset		30,738	30,738	-	30,738	30,738	-
Trade and other receivables	14	4,641,021	5,740,325	6,464,224	4,640,072	5,740,325	6,465,016
Other assets	15	163,166	97,731	61,567	163,166	97,731	61,567
Cash and bank balances	16	3,701,154	3,388,944	13,383,712	3,701,154	3,388,944	13,174,564
Assets classified as asset held for sale		141,869	141,868	-	141,869	141,868	-
		11,926,321	13,338,313	23,534,192	11,925,372	13,338,313	23,325,836
Total assets		**14,143,592**	**15,700,056**	**25,767,090**	**14,142,803**	**15,700,216**	**25,558,895**
Equity and liabilities							
Equity							
Issued share capital	17.1	597,939	597,939	597,939	597,939	597,939	597,939
Share premium	17.2	51,395	51,395	51,395	51,395	51,395	51,395
		8,285,884	8,183,448	16,781,045	8,104,293	8,001,857	16,589,175
Total equity		8,935,218	8,832,782	17,430,379	8,753,627	8,651,191	17,238,509
Non-current liabilities							
Deferred tax liability	9.2	107,085	107,085	-	107,085	107,085	-
Total non-current liabilities		107,085	107,085	-	107,085	107,085	-
Current liabilities							
Trade and other payables	18	4,688,468	6,244,359	7,997,347	4,886,664	6,434,732	7,989,549
Contract liabilities	18.1	123,484	225,000	151,640	123,484	225,000	151,640
Refund liabilities	18.2	-	58,475	-	-	58,475	-
Income tax payable	9.1	289,337	232,355	187,724	271,943	223,733	179,197
Total current liabilities		5,101,289	6,760,189	8,336,711	5,282,091	6,941,940	8,320,386
Total liabilities		5,208,374	6,867,274	8,336,711	5,389,176	7,049,025	8,320,386
Total equity and liabilities		**14,143,592**	**15,700,056**	**25,767,090**	**14,142,803**	**15,700,216**	**25,558,895**

The consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 18 April 2019 and signed on its behalf by:

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

Mr. Olukunle Adewusi
Head, Corporate Reporting
FRC/2018/ICAN/00000018754

GlaxoSmithKline Consumer Nigeria Plc
Unaudited consolidated and separate statement of changes in equity
For the period ended 31 March 2019

Group	**Share capital N'000**	**Share premium N'000**	**Retained earnings N'000**	**Total N'000**
At 1 January 2018	597,939	51,395	16,522,753	17,172,087
Profit for the period	-	-	258,292	258,292
At 31 March 2018	597,939	51,395	16,781,045	17,430,379
At 1 January 2018	597,939	51,395	16,544,411	17,193,745
Profit for the year	-	-	617,624	617,624
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	617,624	617,624
Payment of dividends	-	-	(8,969,073)	(8,969,073)
Adjustment to subsidiary company ***			(9,514)	(9,514)
At 1 January 2019	597,939	51,395	8,183,448	8,832,782
Profit for the period	-	-	102,436	102,436
At 31 March 2019	597,939	51,395	8,285,884	8,935,218

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

Company	**Share capital N'000**	**Share premium N'000**	**Retained earnings N'000**	**Total N'000**
At 1 January 2018	597,939	51,395	16,330,883	16,980,217
Profit for the period	-	-	258,292	258,292
At 31 March 2018	597,939	51,395	16,589,175	17,238,509
At 1 January 2018	597,939	51,395	16,352,541	16,980,217
Profit for the year			618,389	618,389
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	618,389	618,389
Unclaimed dividend declared status barred				-
Payment of dividends	-	-	(8,969,073)	(8,969,073)
At 1 January 2019	597,939	51,395	8,001,857	8,629,533
Profit for the period	-	-	102,436	102,436
At 31 March 2019	597,939	51,395	8,104,293	8,731,969

GlaxoSmithKline Consumer Nigeria Plc
Unaudited consolidated and separate statement of cash flows
For the period ended 31 March 2019

		GROUP			COMPANY		
	Notes	**Three months ended 31 March, 2019 N'000**	**31 Decemeber 2018 N'000**	**Three months ended 31 March, 2018 N'000**	**Three months ended 31 March, 2019 N'000**	**31 Decemeber 2018 N'000**	**Three months ended 31 March, 2018 N'000**
Cash flows from operating activities							
Profit for the year		102,436	617,624	258,292	102,436	618,389	258,292
Adjustment for:							
Income tax expense recognised in profit or loss		48,205	542,530	110,697	48,205	542,435	110,697
Depreciation of property, plant and equipment	11	94,392	377,724	86,542	94,392	377,724	86,542
Gain on disposal of property, plant and equipment	7	(586)	(5,716)	(2,154)	(586)	(5,716)	(2,154)
Interest on term deposits	6	(57,335)	(380,537)	(57,042)	(57,335)	(379,410)	(57,042)
Unrealised exchange loss/(gain) on operating activity	7	145,781	412,026	(469,767)	145,781	412,026	(469,767)
Impairment of trade receivables	5	(13,408)	(14,723)	8,150	(13,408)	(14,723)	8,150
Working capital adjustments:							
Decrease/(increase) in inventories		690,334	(570,281)	(256,263)	690,334	(570,281)	(256,263)
Decrease/(increase) in trade receivables		1,112,712	1,149,047	338,790	1,113,661	1,149,047	337,997
(Increase)/decrease in prepayments		(62,552)	593,334	632,381	(62,552)	593,334	632,381
(Decrease)/increase in contract liabilities		(101,516)	108,122		(101,516)	108,122	
Increase in right of return of assets		-	(12,686)		-	(12,686)	
(Decrease)/increase in refund liabilities		(58,475)	24,126		(58,475)	24,126	
(Decrease)/increase in trade and other payables		(1,701,671)	(3,157,354)	(627,311)	(1,702,620)	(2,948,876)	(626,518)
		198,317	(316,764)	22,315	198,317	(106,489)	22,315
Income tax paid	9	-	(305,647)	-	-	(305,647)	-
		198,317	(622,411)	22,315	198,317	(412,136)	22,315
Cash flows from investing activities							
Proceeds from sale of property, plant and equipment		65,045	36,385	39,664	65,045	36,385	39,664
Interest received	6	57,335	380,537	57,042	57,335	379,410	57,042
Purchase of property, plant and equipment	11	(8,487)	(597,129)	(44,958)	(8,487)	(597,129)	(44,958)
Net cash flows generated by/(used in) investing activities		113,893	(180,207)	51,748	113,893	(181,334)	51,748
Cash flows from financing activities							
Special dividend paid to shareholders of the Company			-	-	-	-	-
Dividends paid to shareholders of the Company		-	(8,969,074)	-	-	(8,969,074)	-
Net cash flows used in financing activities		-	(8,969,074)	-		(8,969,074)	
Net increase in cash and cash equivalents		312,210	(9,771,692)	74,063	312,210	(9,562,544)	74,063
Cash and cash equivalents at 1 January		3,388,944	13,309,649	13,309,649	3,388,944	13,100,501	13,100,501
Exchange loss on cash and cash equivalents		-	(149,013)	-	-	- 149,013.04	-
Cash and cash equivalents at 31 March & December	16	3,701,154	3,388,944	13,383,712	3,701,154	3,388,944	13,174,564

GlaxoSmithKline Consumer Nigeria Plc

Unaudited consolidated and separate statement of profit or loss and other comprehensive income

For the period ended 31 March 2019

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STATEMENT OF COMPREHENSIVE INCOME (For Other Companies)		
	Current	**Prior Period**
	N'000	**N'000**
Revenue	5,013,872	4,214,372
Cost of Sales	(3,537,839)	(3,002,160)
Distribution/Admin and Other Expenses	(1,382,727)	(900,265)
Other Income	57,335	57,042
Financial Charges	-	-
Profit/Loss Before Tax	150,641	368,989
Taxation	(48,205)	(110,697)
Profit/Loss After Tax	102,436	258,292
Other Comprehensive Income	-	-
Total Comprehensive Income	102,436	258,292
Profit/Loss After Tax Attr. To Noncontrolling Int	-	-
Profit/Loss After Tax Owners of the Company	102,436	258,292
Total Comp. Inc.Attr. to Non-Controlling Interest	-	-
Attributable to Owners of the Company	**102,436**	**258,292**
Basis Earnings per Share	9	22
Fully Diluted Earnings per Share	9	22

STATEMENT OF FINANCIAL POSITION (For Other Companies)		
	Current Period	**Prior Year End**
	N'000	**N'000**
Property, plant and equipment	2,217,271	2,358,860
Deferred Tax Assets	-	-
Investment property	-	-
Intangible Assets	-	-
	-	-
Financial assets	-	2,883
Non-current asset held for sale and disposal groups	141,869	141,868
Total Non Current Assets	**2,359,140**	**2,503,611**
Inventories	3,279,111	3,969,445
Debtors and Other Receivables	4,804,187	5,838,056
Cash and cash equivalents	3,701,154	3,388,944
Total Current Assets	**11,784,452**	**13,196,445**
Trade and Other Payables	4,688,468	6,244,359
Current Financial liabilities	123,484	225,000
Current Tax Liabilities	289,337	232,355
Total Current Liabilities	**5,101,289**	**6,701,714**
Non-Current Financial liabilities		
Provisions	-	-
Deferred Tax Liabilities	107,085	107,085
Liabilities included in disposal groups classified as held for sale (Where applicable)		
Total Non-Current Liabilities	**107,085**	**107,085**
Working Capital	6,683,163	6,494,731
Net Assets	9,042,303	8,998,342
Non Controlling Interest	-	-
Attributable to Owners of the Company	8,285,884	8,183,448

1 Corporate information

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

The registered office of the Company is located at 1 Industrial Avenue, Ilupeju, Lagos.

The principal activities of the company are manufacturing, marketing and distribution of consumer healthcare and pharmaceutical products.

The consolidated financial statements of the Group for the period ended 31st March 2019 comprise the result and the financial position of GlaxoSmithkline Consumer Nigeria Plc (the Company) and its wholly owned subsidiary– Winster Pharmaceuticals Limited which has no turnover for the current year following the sale of its only product to a third party on 30 April 2012.

The separate financial statements of the Company for the period ended 31st March 2019 comprise those of the Company only.

These consolidated and separate financial statements for the year ended 31 December 2018 have been approved for issue by the directors on 18 March, 2019.

Summary of significant accounting policies

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

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) that are effective at 31 December, 2018 and the requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and Finance Reporting Council (FRC) Act of Nigeria.

2.2 Basis of preparation

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

2.3 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Company and its subsidiary (Winster Pharmaceutical Limited) as at 31st March 2019

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

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

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

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

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

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

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

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

2.4 Business combinations

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

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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

2.6 Interests in joint operations

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

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

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

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

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated and separate financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2.7 Revenue recognition

Revenue is recognised by applying a five-step approach:

- Identify the contract
- Identify the separate performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when (or as) each performance obligation is satisfied

2.7.1 Identify the contract

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

(a) Sale of the Groups products to retail customers, wholesalers or distributors;
(b) Sale of products under contract manufacturing agreements;
(c) Licences of GSK intellectual property;
(d) Divestments of PP&E and intangible assets.
It does not cover revenue arising on sales of businesses or from collaboration agreements.

2.7.2 Identify the separate performance obligations in the contract

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

3.7.3 Determine the transaction price

The transaction price is the amount of consideration that GSK is entitled to for the transfer of goods or services.
The price may include variable consideration where either
• uncollected revenue is contingent on future events occurring, such as meeting a sales milestone; or
• GSK’s ability to retain revenue already invoiced or collected is contingent on future events not occurring, such as retrospective rebates being awarded by GSK or products being returned by the customer.
Variable consideration is estimated and recognised as revenue when it is highly probable that a significant reversal of the cumulative revenue recognised will not occur in future periods.

2.7.4 Allocate the transaction price to separate performance obligations

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

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

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

Dividend

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

Rental and Interest Income

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

2.8 Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2.9 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

2.10 Property, plant and equipment

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

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

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

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

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

2.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Group as a lessor

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

2.12 Financial instruments

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

2.12.1 Financial asset

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

2.12.2 Financial liability

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

2.12.3 Amortised cost

Most of GSK's financial assets and liabilities are measured at amortised cost, including most trade receivables and trade payables. The amortised cost of a financial asset or financial liability is the amount at which the asset or liability is measured at initial recognition minus principal repayments to date, and minus any reduction for impairment.
If there is a difference between the initial amount and the maturity amount (arising from reasons other than impairment), amortised cost will also be plus or minus the cumulative amortisation using the *effective interest method.*

2.12.4 Effective interest method

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

2.12.4 Expected credit loss (ECL)

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

2.12.5 Expected credit loss allowance

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

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

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

• The simplified approach, which will be applied to trade receivables .

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

(a)The simplified impairment approach

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

(b) The general impairment approach

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

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

Indicators of a significant increase in credit risk include:

• An actual or expected significant change in the financial asset’s external or internal credit rating;

• Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor’s ability to meet its debt obligations, such as an increase in interest rates or a significant increase in unemployment rates;

• An actual or expected significant change in the operating results of the debtor;

• Significant increases in credit risk on other financial instruments of the debtor;

• An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant change in the debtor’s ability to meet its debt obligations, such as a decline in the demand for the debtor’s sales product because of a shift in technology;

• Expected changes in the loan documentation (i.e. changes in contract terms) including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;

• Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group (e.g., an increase in the expected number or extent of delayed contractual payments); and

• Past due information on debtors.

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

(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.

2.13 Inventories

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

2.14 Cash and bank balances

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

2.15 Impairment of non-current assets

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

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

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

2.16 Pensions and other post employment benefits

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

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

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

2.17 Segment report

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

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

2.18 Provisions

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

2.19 Borrowings

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

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

2.20 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

2.21 Dividend

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

2.22 Share capital

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

2.23 Disposal groups held for sale

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

2.24 Research and development

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

2.25 Investment property

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

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

3. Significant accounting judgments, estimates and assumptions

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

Judgments

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

Going concern

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

Revenue recognition

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

Estimates and assumptions

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

Taxes

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

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

Year end translation rate

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

During the year, the rate available to the company are shown below:
-The CBN rate
-Inter-bank rate and
-The GSK UK Group rate

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

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

	Group & Company		
	Three months ended 31 March, 2019 N'000	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
Revenue from the sale of goods	5,013,872	18,411,475	4,214,372
Revenue from rendering of service		-	-
	5,013,872	**18,411,475**	**4,214,372**

4.1 Segment information

Product and services from which reportable segments derive their revenue

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

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

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

There are no sales between business segments.

The Group's reportable segments under IFRS 8 are Consumer Healthcare and Pharmaceuticals.

4.2 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.

Three months ended 31 March, 2019	**Consumer Healthcare**	**Pharmaceutica**	**Non-Operating income**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Segment results				
Revenue	1,517,508	3,496,364	-	5,013,872
Cost of sales	(884,689)	(2,653,150)	-	(3,537,839)
Gross profit	632,819	843,214	-	1,476,033
Operating expenses	(756,177)	(462,074)		(1,218,251)
Operating (loss)/profit	(123,358)	381,140		257,782
Investment income			57,335	57,335
Other gains and losses	(6,698)	(158,364)	586	(164,476)
Profit/(loss) before tax	**(130,056)**	**222,776**	**57,921**	**150,641**

Segment assets & liabilities				
Non-current assets excluding deferred tax	2,217,271	-		2,217,271
Net additions to non-current assets, excluding deferred tax	-	-		-
Tota non current assets excluding deferred tax	2,217,271	-		2,217,271
Current assets	9,146,843	2,779,478		11,926,321
Total asset excluding deferred tax	**11,364,114**	**2,779,478**	**-**	**14,143,592**
Segment liabilities excluding deferred tax	**8,198,702**	**138,009**		**8,336,711**

31 December 2018	**Consumer Healthcare**	**Pharmaceutica**	**Non-Operating income**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Segment results				
Revenue	6,457,521	11,953,954	-	18,411,475
Cost of sales	(3,355,662)	(8,299,035)	-	(11,654,697)
Gross profit	3,101,859	3,654,919	-	6,756,778
Operating expenses	(3,139,515)	(2,203,332)	-	(5,342,847)
Operating (loss)/profit	(37,656)	1,451,587		1,413,931
Investment income	-	-	380,537	380,537
Other gains and losses	(74,839)	(565,190)	5,715	(634,314)
Profit/(loss) before tax	**(112,495)**	**886,397**	**386,252**	**1,160,154**
Segment assets & liabilities				
Non-current assets excluding deferred tax	2,358,860	-	-	2,358,860
Net additions to non-current assets, excluding deferred tax	2,883	-	-	2,883
Tota non current assets excluding deferred tax	2,361,743		-	2,361,743
Current assets	9,135,463	4,202,850	-	13,338,313
Total asset excluding deferred tax	**11,497,206**	**4,202,850**	**-**	**15,700,056**
Segment liabilities excluding deferred tax	**6,430,655**	**329,534**		**6,760,189**

Three months ended 31 March, 2018	**Consumer Healthcare**	**Pharmaceutica**	**Non-Operating income**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Segment results				
Revenue	1,460,967	2,753,405	-	4,214,372
Cost of sales	(918,368)	(2,083,792)	-	(3,002,160)
Gross profit	542,599	669,613	-	1,212,212
Operating expenses	(729,888)	(480,175)		(1,210,063)
Operating (loss)/profit	(187,289)	189,438	-	2,149
Investment income	-	-	57,042	57,042
Other gains and losses	14,428	295,370	-	309,798
Profit/(loss) before tax	**(172,861)**	**484,808**	**57,042**	**368,989**
Segment assets & liabilities				
Non-current assets excluding deferred tax	2,232,898	-	-	2,232,898
Net additions to non-current assets, excluding deferred tax	-	-	-	-
Tota non current assests excluding deferred tax	2,232,898	-	-	2,232,898
Current assets	21,516,113	2,018,079		23,534,192
Total asset excluding deferred tax	**23,749,011**	**2,018,079**	**-**	**25,767,090**
Segment liabilities excl deferred tax	**8,198,702**	**138,009**		**8,336,711**

The accounting policies of the segments are the same as the Group's accounting policies describe in Note 3. This is the measure reported to the management for the purpose of resources allocation and measurement
The accounting policies of the reporting segments are the same as the Group's accounting policies described in note 3. The segment reporting represents profit before tax earned by each segment without allocation of central administration cost, investment income and finance cost.
For the purpose of monitoring segments performance and allocating resources between segments :
- all assets are allocated to reportable segment other than deferred tax asset. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segments assets

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

	Group & Company		
	Three months ended 31 March, 2019	**31 December 2018**	**Three months ended 31 March, 2018**
	N'000	**N'000**	**N'000**
Payroll costs	266,857	1,069,792	304,061
Electricity, fuel & utility	27,864	90,815	20,599
Repairs and maintenance	7,926	15,413	1,334
Repairs and maintenance - vehicles	7,355	31,491	7,211
Repairs and maintenance -others	2,550	7,182	3,287
Insurance	8,379	25,748	5,668
Depreciation	31,563	153,384	40,126
Rent and rates	11,749	66,900	5,186
Security & facility expenses	2,298	20,131	4,782
Canteen expenses	22	137	13
Freight cost	14,551	191,809	20,845
Travel and expenses	12,980	126,114	29,152
Telecom cost	12,440	73,764	38,146
Audit fees	4,928	19,710	4,250
Consultancy	45,532	177,046	31,098
Advert and promotion	301,149	923,408	177,256
Bank charges	13,142	87,252	15,154
Postage	1,145	5,579	468
Other office supplies	1,067	22,113	4,810
Other business expenses	44,694	79,469	84,195
Back duty assessment	-	247,975	
Inter-departmental allocation	400,060	1,748,712	420,572
Impairment of receivables expense	-	158,903	-
	1,218,251	**5,342,847**	**1,218,213**

	Group & Company		
	Three months ended 31 March, 2019	**31 December 2018**	**Three months ended 31 March, 2018**
5a Expense by nature have been disclosed in the statement of comprehensive income as follows:	**N'000**	**N'000**	**N'000**
Selling and distribution	(800,562)	(3,096,566)	(658,103)
Administrative expenses	(417,689)	(2,246,281)	(560,110)
	(1,218,251)	**(5,342,847)**	**(1,218,213)**

	GROUP			COMPANY		
	Three months ended 31 March, 2019	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**	**Three months ended 31 March, 2019**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
6 Investment income						
Interest income on short-term deposits	57,335	380,537	57,042	57,335	379,410	57,042
	57,335	**380,537**	**57,042**	**57,335**	**379,410**	**57,042**

		Group & Company		
		Three months ended 31 March, 2019	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
7 Other gains and losses				
Profit from sale of property, plant and equipment		586	5,716	2,154
Realised exchange foreign exchange losses		(15,280)	(350,355)	(178,315)
Unrealised foreign exchange gains/(losses)		(145,781)	(412,026)	469,767
Provision no longer required	Impairment receivables	13,408	173,626	8,150
	Suntory deal	-	-	-
	Pension	-	23,473	-
Other sundry income/(expense)		(17,409)	(74,748)	16,192
		(164,476)	**(634,314)**	**317,948**

8 Profit before tax

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

Audit fees	-	17,000	8,906
Impairment on receivables(recovery)/expense	-	189,088	(8,150)
Depreciation	89,054	357,571	40,126
Net foreign exchange (gain)/ loss	(161,061)	(762,381)	(291,452)

9 Taxes

Statement of financial position:

	GROUP			COMPANY		
	Three months ended 31 March, 2019	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
9.1 Current tax liabilities:						
At 1 January	232,355	77,027	77,027	223,733	68,500	68,500
Tax charge in income statement:	-	-	110,697	-	-	110,697
Charge in the current year	48,210	155,328	-	48,210	155,233	-
Back duty assessment	8,772	305,647	-	-	305,647	-
		538,002			529,380	
	289,337		187,724	271,943		179,197
Company income tax paid	-	-	-	-	-	-
Education tax paid	-	-	-	-	-	-
Back duty assessment paid	-	(305,647)	-	-	(305,647)	-
Capital Gains Tax paid	-	-	-	-	-	-
At 31 December	**289,337**	**232,355**	**187,724**	**271,943**	**223,733**	**179,197**

9.2 Deferred tax balances:

Reflected in the statement of financial position as follows:

Deferred tax assets	(309,878)	(309,878)	(637,836)	(309,878)	(309,878)	(637,836)
Deferred tax liabilities	416,963	416,963		416,963	416,963	-
Deferred tax (asset)/liabilities	**107,085**	**107,085**	**(637,836)**	**107,085**	**107,085**	**1,843,865**

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

	GROUP			COMPANY		
	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
10 Earnings per share						
Net profit attributable to ordinary equity holders of the parent from continuing operations	102,436	617,624	258,292	102,436	618,389	258,292
Net profit attributable to ordinary equity holders of the parent from continuing and discontinued operations	102,436	617,624	258,292	102,436	618,389	258,292
Weighted average number of ordinary shares for basic earnings per share	1,195,876	1,195,876	1,195,876	1,195,876	1,195,876	1,195,876
Basic and diluted earnings per share (kobo)-continuing operations	9	52	22	9	52	22
Basic and diluted earnings per share (kobo)-continuing and discontinued operations	9	52	22	9	52	22

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.

11	**Property, plant and equipment Group and Company**	**Leasehold land N'000**	**Buildings N'000**	**Plant and machinery N'000**	**Construction in progress N'000**	**Furniture, fittings and equipment N'000**	**Motor vehicles N'000**	**Total N'000**
	Cost:							
	At 1 January 2018	461,796	526,105	1,849,473	463,708	1,271,476	447,260	5,019,818
	Additions				44,958	-	-	44,958
	Transfers	-	83,888	100,329	(184,217)	-	-	-
	Impairment	-	-		(37,510)	-	-	(37,510)
	Disposals	-	-	-	-	(252)	(59,198)	(59,450)
	At 31 March 2018	**461,796**	**609,993**	**1,949,802**	**286,939**	**1,271,224**	**388,062**	**4,967,816**
							-	
	At 1 January 2018	461,796	526,105	1,849,473	463,708	1,271,476	447,260	5,019,818
	Additions	-	65,068	-	483,153	18,999	29,909	597,129
	Transfers	-	130,226	372,497	(503,435)	712	-	-
	Reclassification of assets held for sale	-	-	(192,020)	-	-	-	(192,020)
	Disposals - others	-	-	-	-	(2,523)	(59,198)	(61,721)
	At 31 December 2018	**461,796**	**721,399**	**2,029,950**	**443,426**	**1,288,664**	**417,971**	**5,363,206**
	Additions		25,095	125,949	(142,557)			8,487
	Transfers	-	-	-	-	-	-	-
	Adjustments	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-
	At 31 March 2019	**461,796**	**746,494**	**2,155,899**	**300,869**	**1,288,664**	**417,971**	**5,371,693**
	Depreciation:							
	At 1 January 2018	120,919	111,440	1,589,937	-	591,734	293,795	2,707,825
	Charge for the year	2,254	10,932	56,889	-	11,869	4,598	86,542
	Disposals	-	-	-	-	(252)	(9,867)	(10,119)
	Adjustments	-	-	-	-	-	(49,331)	(49,331)
	At 31 March 2018	**123,173**	**122,372**	**1,646,826**	**-**	**603,351**	**239,195**	**2,734,917**
	At 1 January 2018	120,919	111,440	1,589,937	-	591,734	293,795	2,707,825
	Charge for the year	8,175	14,064	241,696	-	43,406	70,383	377,724
	Reclassification of assets held for sale	-	-	- 50,152	-	-	-	(50,152)
	Disposals	-	-	-	-	(252)	(30,800)	(31,052)
	At 31 December 2018	**129,094**	**125,504**	**1,781,481**	**-**	**634,888**	**333,378**	**3,004,346**
	Charge for the period	2,231	3,502	69,309		6,309	13,041	94,392
	Disposals - others	-	-		-		-	-
	Adjustments	-	-	78,543	-	-	(22,859)	55,684
	At 31 March 2019	**131,325**	**129,006**	**1,850,790**	**-**	**641,197**	**346,419**	**3,154,422**
	Net book value:							
	At 31 March 2019	**330,471**	**617,488**	**305,109**	**300,869**	**647,467**	**71,552**	**2,217,271**
	At 31 December 2018	**332,702**	**595,895**	**248,469**	**443,426**	**653,776**	**84,593**	**2,358,860**
	At 31 March 2018	**340,878**	**414,665**	**259,537**	**463,709**	**679,743**	**153,466**	**2,232,899**

		GROUP & COMPANY		
11.1	**Depreciation**	**Three months ended 31 March, 2019**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
	Continuing opetations	94,392	357,628	86,542
	Discontinued operation	-	-	-
		94,392	**357,628**	**86,542**

		GROUP			COMPANY		
		Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
12	**Investment in subsidiary**						
	Investment in subsidiary	-	-	-	**160**	**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.

		GROUP			COMPANY		
		Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
13	**Inventories**						
	Raw materials and consumables	655,415	741,981	1,015,253	655,415	741,981	1,015,253
	Work in progress	52,369	23,135	75,712	52,369	23,135	75,712
	Finished goods	2,540,589	2,554,379	2,489,201	2,540,589	2,554,379	2,489,201
	Engineering spares	-	48,931	44,523	-	48,931	44,523
	Total inventories	**3,248,373**	**3,368,426**	**3,624,689**	**3,248,373**	**3,368,426**	**3,624,689**

		GROUP			GROUP		
		Three months ended 31 March, 2019			Three months ended 31 March, 2018		
		Consumer N'000	Pharma N'000	Total N'000	Consumer N'000	Pharma N'000	Total N'000
13.1	**Inventories - By Segment**						
	Raw materials and consumables	655,415	-	655,415	1,015,253	-	1,015,253
	Work in progress	52,369	-	52,369	75,712	-	75,712
	Finished goods	923,737	1,616,852	2,540,589	862,914	1,626,287	2,489,201
	Engineering spares	-	-	-	44,523	-	44,523
		1,631,521	**1,616,852**	**3,248,373**	**1,998,402**	**1,626,287**	**3,624,689**

	GROUP		
	AUDITED 2018		
	Consumer N'000	Pharma N'000	Total N'000
Inventories - By Segment			
Raw materials and consumables	388,380	-	388,380
Work in progress	30,075	-	30,075
Finished goods	929,614	2,446,060	3,375,674
Engineering spares	144,578	-	144,578
	1,492,647	**2,446,060**	**3,938,707**

		GROUP			COMPANY		
		Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
14	**Trade and other receivables**						
	Trade receivables	4,033,274	3,339,728	3,089,748	4,033,274	3,339,728	3,089,748
	Receivables from related parties	376,834	2,295,530	2,810,202	376,834	3,146,441	2,810,202
	Employee loans and advances	20,052	101,208	89,704	20,052	101,208	89,704
	Others	210,861	223,787	474,570	209,912	223,787	475,362
		4,641,021	**5,960,253**	**6,464,224**	**4,640,072**	**6,811,164**	**6,465,016**

14.1 Trade receivables

	GROUP AND COMPANY		
	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Trade receivables	4,110,597	3,476,908	3,218,779
Impairment loss	(77,323)	(137,180)	(129,031)
	4,033,274	**3,339,728**	**3,089,748**

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

Age of receivables that are past due but not impaired:

	GROUP AND COMPANY		
	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Movement in the allowance for doubtful debts			
Balance at beginning of the year	76,226	137,180	137,180
Adjustment upon application of IFRS 9	0	(63,485)	
Additional provision	12,592	158,903	41,766
Recoveries	(11,495)	(156,372)	(49,915)
Write offs	-	-	-
Balance at the end of the year	**77,323**	**76,226**	**129,031**
Age of impaired trade receivables			
91-180 days	26,165	35,079	26,165
>180 days	51,158	41,147	102,866
	77,323	**76,226**	**129,031**

14.2 **Other receivables**	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Other receivables	-	336,855	-
Impairment loss for the year	-	(38,461)	-
Write offs	-	(74,607)	-
	-	**223,787**	**-**

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

	GROUP AND COMPANY		
	Three months ended 31 March, 2019	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
15 Other assets			
Prepayment of manufacturing raw materials	81,531	618,416	22,226
Prepaid rent	60,698	43,455	14,059
Prepaid insurance	14,005	16,411	15,608
Other prepayments	6,932	15,666	9,674
	163,166	**693,948**	**61,567**
Current	163,166	691,020	61,567
Non Current	-	2,928	-
	163,166	**693,948**	**61,567**

16 Cash and cash equivalents

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

	GROUP			COMPANY		
	Three months ended 31 March, 2019	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Cash at bank:						
Current account balances	1,663,363	1,888,944	3,577,446	1,663,363	3,272,652	3,368,298
Short term deposit (45-60 days)	1,500,000	1,500,000	8,900,000	1,500,000	1,500,000	8,900,000
Restricted Cash (Note 20.1)	537,791	-	906,266	537,791	927,849	906,266
	3,701,154	**3,388,944**	**13,383,712**	**3,701,154**	**5,700,501**	**13,174,564**

17 Issued capital and share premium

		GROUP			COMPANY		
	Authorised shares	**Three months ended 31 March, 2019**	**31 December 2018**	**Three months ended 31 March, 2018**	**Three months ended 31 March, 2019**	**31 December 2018**	**Three months ended 31 March, 2018**
		Thousands	**Thousands**	**Thousands**	**Thousands**	**Thousands**	**Thousands**
	Ordinary shares of 50k each	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
		N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	Ordinary shares of 50k each	750,000	750,000	750,000	750,000	750,000	750,000
17.1	**Ordinary shares issued and fully paid**	**Thousands**	**Thousands**	**Thousands**	**Thousands**	**Thousands**	**Thousands**
	Ordinary shares of 50k each	1,195,876	1,195,876	1,195,876	1,195,876	1,195,876	1,195,876
		N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	Ordinary shares of 50k each	**597,939**	**597,939**	**597,939**	**597,939**	**597,939**	**597,939**
		N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
17.2	**Share premium**	**51,395**	**51,395**	**51,395**	**51,395**	**51,395**	**51,395**

			GROUP			COMPANY		
			Three months ended 31 March, 2019	31 December 2018	Three months ended 31 March, 2018	Three months ended 31 March, 2019	31 December 2018	Three months ended 31 March, 2018
18	**Trade and other payables**		**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
	Trade payables		489,760	875,140	934,005	488,967	874,345	934,005
	Amounts due to related parties	(Note 23)	1,705,713	6,075,841	5,143,915	1,705,713	6,075,841	5,143,915
	Unclaimed dividends		583,305	513,850	566,999	583,305	513,850	566,999
	Pension payables		-	23,473	-	-	23,473	-
	Other payables		143,972	342,242	404,221	348,332	336,464	398,443
	Accruals		1,765,718	1,415,519	948,207	1,760,347	1,413,501	946,187
			4,688,468	**9,246,065**	**7,997,347**	**4,886,664**	**9,237,474**	**7,989,549**

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

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables and accruals are non-interest bearing and have an average term of six months.
- Terms and conditions relating to related party receivables are disclosed in Note 25

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

		Three months ended 31 March, 2019	31 December 2018	Three months ended 31 March, 2018
18.1	**Contract Liabilities**	**N'000**	**N'000**	**N'000**
	Advance from customers	11,976	10,149	-
	Trade incentives	111,508	214,851	151,640
		123,484	**225,000**	**151,640**

18.2	**Right of return assets and refund liabilities**			
	Right to returned goods asset	**18,056**	**30,738**	**-**
	Refund liabilities arising from rights of return	34,349	58,475	-

19 **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 March 2019, 31 December 2018 and 31 March 2018.

	GROUP AND COMPANY			GROUP & COMPANY					
	Purchases from related parties			Amounts owed by related parties			Amounts owed to related parties		
	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Subsidiary:									
Winster Pharmaceuticals Limited:									
Other sister companies:									
GlaxoSmithKline Pharmaceutical Nigeria Limited					-		1,009,805	257,242	793,926
GlaxoSmithKline Biologicals S.A.		118,123	17,555				30,660	36,349	15,027
GlaxoSmithKline Consumer Healthcare South Africa Pty Ltd		-			-			-	
GlaxoSmithkline Dungravan		-			-			-	393,112
Gsk Consumer Healthcare , Uk		-			21,333			-	
GlaxoSmithKline Export Limited	1,617,434	8,632,908	1,410,328		-		618,281	2,871,062	3,738,900
GlaxoSmithKline Consumer Trading Services (JDE)	101,680	334,935	80,570	355,758	-			-	202,950
GlaxoSmithkline Uk Ltd Ph		-			-			-	
GlaxoSmithkline Limited, Kenya		-			-	33,418		-	
GlaxoSmithKline South Africa (Pty) Limited		-			-			92,186	
GlaxoSmithKline Consumer Trading Services CERPS ASGN		245,836	491,471		-	2,672,383		243,885	

GSK OPS UK Area		-		2,318	-	40,973		-	
Inter Com - GlaxoSmithkline South Africa		-			-			-	
GlaxoSmithKline Consumer Healthcare Pte. Ltd.		-			-	52,785		-	
GlaxoSmithkline Consumer Healthcare		-		18,758	-			-	
P.T. Sterling Products Indonesia		-			2,247,702	10,642		-	
GlaxoSmithKline Services Unlimited		-			-		46,967	-	
					26,076				
					419				
Total	**1,719,115**	**9,331,802**	**1,999,924**	**376,834**	**2,295,530**	**2,810,201**	**1,705,713**	**3,500,724**	**5,143,915**

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

	GROUP			COMPANY		
	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000	Three months ended 31 March, 2019 N'000	31 December 2018 N'000	Three months ended 31 March, 2018 N'000
Receivable from related parties:						
Local	-	-	-		-	-
Foreign	376,834	2,295,530	2,810,201	376,834	2,295,530	2,810,201
	376,834	**2,295,530**	**2,810,201**	**376,834**	**2,295,530**	**2,810,201**
Payable to related parties:						
Local	1,009,805	257,242	793,926	1,009,805	257,242	793,926
Foreign	695,908	5,818,599	4,349,989	695,908	5,818,599	4,349,989
	1,705,713	**6,075,841**	**5,143,915**	**1,705,713**	**6,075,841**	**5,143,915**

There were no sales to related parties for the period ended 31 March 2019 (2018:nil).

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

Terms and conditions of transactions with related parties

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

Outstanding balances at the period 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 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2018: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

20 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.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and cash and short term deposit, including deposits with banks, amount due from related parties and staff loans.
The Group manages employee loans by ensuring that each employee does not exceed a loan greater than one-third of his or her net pay, and only employees who meet this requirement receives a loan facility from the Company. Additionally, any employee granted a loan in excess of the above limit must have a staff benefit (defined benefit) as collateral.
In respect of bank balances, the Group maintains balances in Agusto & Co rated banks.

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.

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2018.

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

	GROUP			COMPANY		
	Three months ended 31 March, 2019 N'000	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**	**Three months ended 31 March, 2019 N'000**	**31 December 2018 N'000**	**Three months ended 31 March, 2018 N'000**
Trade and other payables	4,688,468	9,246,067	7,997,347	4,886,664	9,237,478	7,989,549
Less: cash and bank balances	3,701,154	13,309,649	13,383,712	3,701,154	13,100,501	13,174,564
	987,314	(4,063,582)	(5,386,365)	1,185,510	(3,863,023)	(5,185,015)
Equity	8,935,218	17,172,087	17,430,379	8,753,627	16,980,217	17,238,509
Capital and net debt	9,922,532	13,108,505	12,044,014	9,939,137	13,117,194	12,053,494
Gearing ratio (Cap to Zero)	10%	-	-	12%	-	-