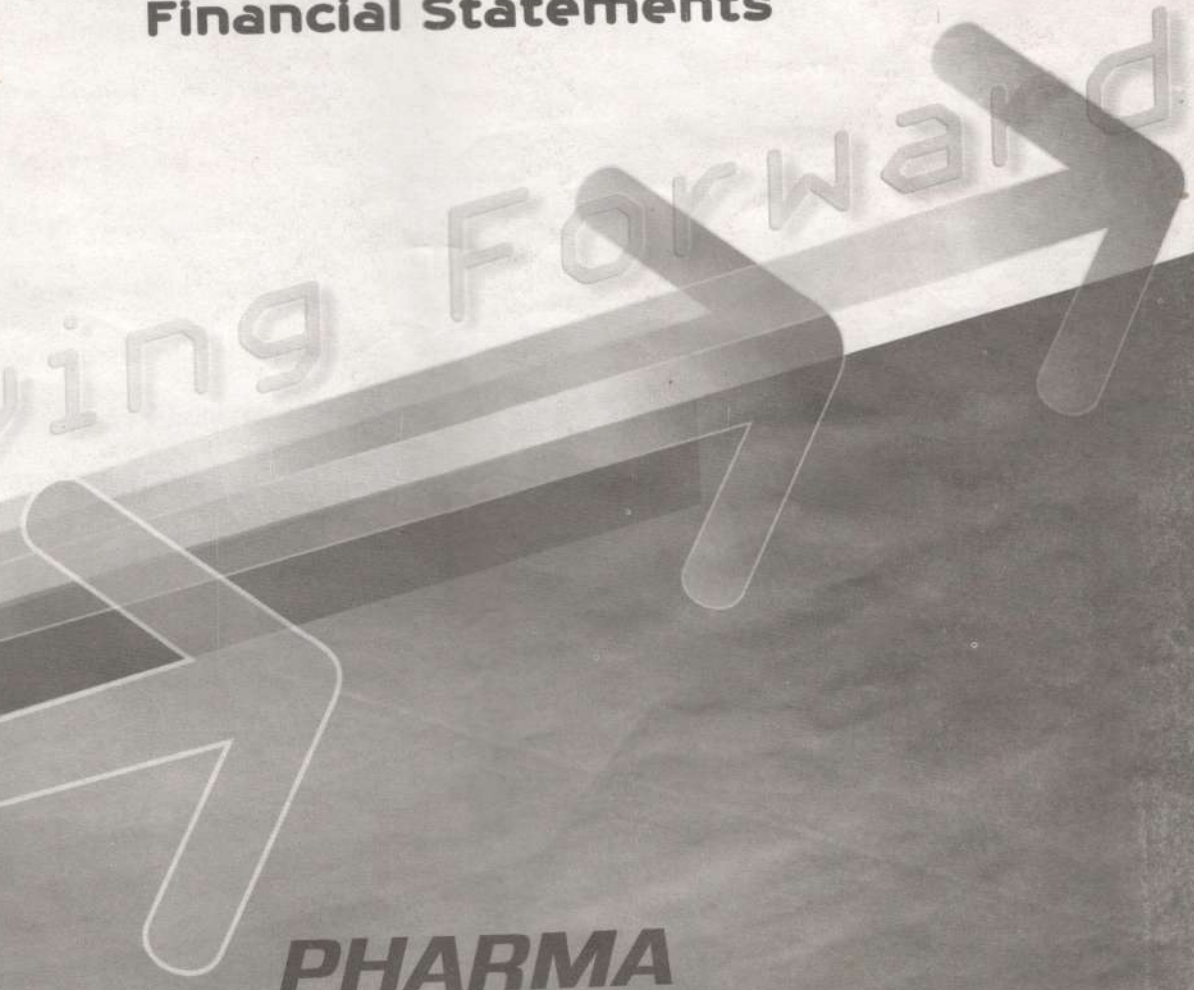


Annual Report
&
Financial Statements

Moving Forward



PHARMA
DEKO Plc

Annual Report

Financial Statement

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**Company Registration No. RC. 6711
Directors, Professional Advisors, etc.**

DIRECTORS:

Mr. F.R.A Williams (Jnr.)
Mr. Abibu Adekunle
Mr. C.C. Chikeluba
Mr. K.A. Lawson
Mr. S.U. Osai
Chief J. O. Ayingbo
Mr. G.A. Aleguino
Alhaji Bala Zakariya'u
Miss O.I. Omisore
Mr. Akparanta Emmanuel

-Chairman
-Managing

SECRETARY

unity Trustees Limited

REGISTERED OFFICE:

plot C15/3 Agbara Industrial Estate,
Agbara, Ogun State.
P.O. Box 1479, Apapa, Lagos.

Auditors:

(chartered Accountants) Akintola Williams Deloitte.

LEGAL ADVISER/SOLICITOR:

Chief Rotimi Williams' Chambers,
1, Shagamu Avenue, Ilupeju, Lagos

REGISTRARS & TRANSFER OFFICE:

PHB Capital & Trust Limited
A subsidiary of Bank PHB
163/165 Broad Street, 1st floor
(Opp. Elephant House),
Old Niger House, Lagos.

PRINCIPAL BANKERS:

Diamond Bank Plc.
Ecobank of Nigeria Plc.
First Bank of Nigeria Plc.
Guaranty Trust Bank Plc.
Platinum Habib Bank plc.
Union Bank of Nigeria Plc.
United Bank for Africa Plc.
Zenith Bank Plc.

Notice of Meeting

2008 Annual Report

NOTICE IS HEREBY GIVEN THAT THE 39th Annual General Meeting of the Company will be held at Sheraton Hotels & Towers, Mobolaji Bank Anthony way, Ikeja, Lagos. On Monday, 14th December, 2009 1.00 p.m. For the following purposes-

1. To receive and consider the audited financial Statements for the year ended 31st December 2008 and the reports of Directors, Auditors and Audit Committee thereon.
2. To re-elect Directors.
3. To re-appoint the Auditors to the Company.
4. To authorise the directors to fix the remuneration of the Auditor.
5. To approve the remuneration of the Directors.

Special Business

1. That the authorised share capital of the company be increased from N150,000,000.00 (One hundred and fifty million naira only) to N750,000,000.00 (seven hundred and fifty million naira only) by the creation of 1,200,000,000 ordinary shares of 50 kobo each ranking pari passu in all respect with the existing shares in the company subject to the provisions of the memorandum and articles of association of the company;
2. That subject to the approval of the regulatory authorities, the directors be and are hereby authorised to offer up to 1,400,000,000 ordinary shares ('Issue Shares') for sale by way of Rights Issue to members of the company in proportion to their respective holdings of such shares at a date and upon terms and conditions to be determined by the Directors;
3. That any one or more of the Directors be and is/are hereby authorised for and on behalf of the company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the rights issue.
4. That the directors be and are hereby authorised to appoint one or underwriters to underwrite such portion of the Issue Shares not otherwise subscribed by the existing shareholders, and to sign and execute such underwriting agreements or other documentation and do all such things are required to give effect to this resolution.
5. That the Directors be and are hereby authorised to allot and issue the Issue Shares pursuant to or in connection with the rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholders;
6. That the Memorandum and Article of Association of the company be and is hereby amended by deleting Clause 6 of the Memorandum and Article 3 of the Articles, and substituting each of the said clause and article, the following:

"The Share Capital of the Company is N750,000,000.00 (Seven Hundred and fifty million naira) divided into 1,500,000,000 (One billion five hundred million) ordinary shares of 50 (fifty) kobo each"

By Order of the Board
UNITY TRUSTEES LIMITED
SECRETARY

Dated this 16th Day of November 2009

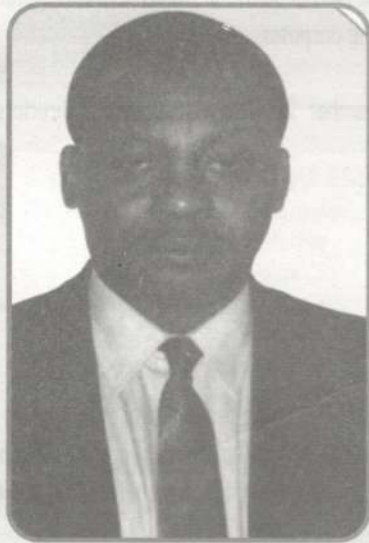
1. PROXY

Every member of the company entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of him. All instrument of Proxy should be deposited at the registered office of the company Plot C15/3 Agbara Industrial Estate, Agbara, Ogun State not later than 48 hours before the time of the meeting.

2. Voting at the meeting shall be by way of polls, every member shall have one vote for each share of which he is the holder

3. AUDIT COMMITTEE

A member may nominate a shareholder as a member of the Audit Committee by giving notice in writing to the company secretary at least 21 days before the Annual General Meeting.



Distinguished Shareholders, members of The board, members of the press, invited guests, ladies and Gentlemen;

I would like to welcome you to the 39th Annual General Meeting of our company, Pharma-Deko Plc, and to present the Annual Report and Financial Statements for the year ended 31 December 2008.

I would like to seek your attention to give you a brief review of the socio-political environment under which we operated in 2008.

OPERATING ENVIRONMENT

This year 2008 was not as challenging as 2007, there was an improvement in Nigeria's economic growth with a robust foreign exchange reserve from high oil prices, high foreign investment inflows and an improvement as the Gross Domestic Product grew from 6.2% in 2007 to 6.8% in 2008.

However, there was a reversal in the fortunes of the local currency, the naira, arising from falling oil prices, sub-par production level combined with foreign exchange outflows and a rapidly expanding Import bill. Naira remained stable till it gradually lost 15% of its value against the dollar to close the year at N135 to a dollar in November 2008. The year saw fluctuating inflation rates which threatened the purchasing power of the naira and adversely affected the real sector of the economy.

Additionally, the boom in the capital market of the previous years was reversed by the colossal drop in the values of quoted stocks. The unprecedented depreciation in the value of stocks in the Nigerian capital market since the second quarter of 2008 and the inability of various strategies put in place by the regulatory authorities to address the problems have eroded the confidence of investors in the capital market.

The Niger Delta crisis remained unresolved during the year and indeed got further complicated with a rise in the rate of kidnaping and attacks on oil installation by various militant groups. The results were disruptions in crude oil production with a negative impact on the country's ability to meet its export quota.

A range of shortcomings in the Nigerian business environment significantly impedes the possibility of sustained high economic growth. These are poor physical infrastructure – inadequate transportation, epileptic power supply and poor communication systems, a burdensome administrative, regulatory and institutional environment for businesses that significantly raises the cost of doing business and lack of access to long term finance which is an essential prerequisite to financing long term projects.

The needs of a country's healthcare system must not be underestimated. There is need for the Government to make policies that are realistic and conducive to the delivery of healthcare services. The change in the leadership of NAFDAC should also re-invigorate the fight against counterfeits and fake drugs and chart a new course of sustainable growth and development in the health care sector.

The competitive nature of healthcare sector cannot be over-emphasized. The Pharmaceutical council of Nigeria and National Food; Drug Administration & Control (NAFDAC) are getting stricter with approvals for product registration. Furthermore, the menace of counterfeits and adulteration, though greatly reduced, still takes its toll on the sale of genuine products and affects greatly sales of pharmaceutical products.

OPERATING RESULTS.

Effort to build the market share and turnover of your company has continued to yield positive result; your company has now posted a turnover in excess of a billion naira for the first time since inception. With a 40% increase in turnover compared to 2007, we recorded a turnover of 1.1 billion Naira for 2008.

The company continued its efforts towards cost reduction and better resource management, however due to the high level and high cost of borrowing, in addition to the depreciation of the Naira against the US dollar which impacted negatively on our Cost of Goods sold as well as our Distribution expenses. We recorded a loss after taxation of approximately 198 million Naira.

You may wish to note that the loss situation of the company has been on a downward trend, -52%, -31% and -18% of turnover for 2006, 2007 and 2008 respectively.

FUTURE

The Board of Directors of your Company believes that with the combination of the new Management Team as well as the injection of fresh shareholders funds, the much awaited turn-around will happen in the third and fourth quarters of next year.

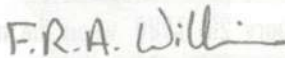
DIVIDEND

Based on the loss of 2006, 2007 and 2008 financial years, the Board of Directors is not recommending dividend.

CONCLUSION

I would like to conclude by restating our belief that our long term success is tied to our people. We will strive to ensure that we have a culture that employs the best and that we invest in programs to ensure we attract and motivate the best. In that way, the Pharma Deko team will deliver the results we all expect.

I thank you all.



F. R. A. Williams (Jr.)

Company Profile

PHARMA DEKO PLC, started in Nigeria in 1962 as Parke-Davis & Company (U S) operating a non-trading branch in Nigeria to promote its world-wide range of quality pharmaceutical products. In December 1969, the company was incorporated under Nigerian Law as Parke-Davis and Company (Nig) Limited, a private company. Prior to this, the importation and distribution of the company products was done by appointed agents. The new company took over all these functions upon incorporation. Then, in 1974, with the promulgation of the Nigerian Enterprises Promotion Decree (1972), 40% of the shares of the company were sold to Nigerian citizens and associations. The Company operated under the name, Parke-Davis and Company (Nigeria) Limited until February 28, 1980, when the name was changed to Pharma-Deko Limited. Sequel to its conversion from a private to a public company limited by shares, the company is now known as Pharma-Deko Plc. Pharma- Deko Plc is the first Pharmaceutical Company in Nigeria to be ISO certified(International Organisation for Standardisation) and to produce Vitacee Drops and Carbonated Drinks.

Our consistent level of quality and dedication to healthcare makes us one of the country's leading producers of pharmaceutical and consumer health care products. Our popular brands include but are not limited to Pharmadec (syrup and drops), Vitacee, Parkalin cough range, Anuproct, Salins, Revitone Blood Tonic and Antasil. Others are Sans Cream Soda, Dextra Energy Drink/Blackcurrant, Bien flavoured range of drinks, MS Cola and Brett Mouthwash and many other products that are coming from our innovative research & development laboratory. These products are distributed nation-wide through a network of Medical and Consumer Sales Representatives.

BOARD OF DIRECTORS



C.C. Chikeluba Director



G. A. Alegieuno Director



Alh, Bala Zakariya'u Director



F. R. A. Williams (Jnr.) Chairman



S. U. Osai Director



J.O. Anyigbo Director



K. A. Lawson Director



D.I. Omisore Executive Director



Abibu Adekunle Managing Director



Akparanta Emmanuel
Executive Director

DIRECTORS PROFILE

Our Directors are well trained and seasoned professionals with vast experience in administration and business.

MR. F.R.A. WILLIAMS (JNR)

Folarin Williams is a seasoned lawyer. He is the Chairman of the Board of Directors.

He holds a first degree in Chemical Engineering and a second degree in Law. His investments span the pharmaceutical, computer, packaging mail delivery and oil field services companies.

MR. C. C. CHIKELUBA

Mr. Chikeluba is a businessman, a Philanthropist with business interest in Nigeria and across Europe, Asia and America. He can best be described as a Lawyer by profession, a Banker by association and investments with intensive interests in manufacturing - Tyres, rubber, Iron & steel, pharmaceuticals, trading, banking investment, Real Estate, Oil & gas.

He is a director of many companies, Associated Airlines, N.S.L, G.M.O. And Co. Limited, Petrosas Limited and G.O.F.M. Shoe Industries Limited among others.

MR. G.A. ALEGIEUNO

Mr. Alegieuno joined the Board of Directors as a non-Executive Director in 1994. A fellow of the Chartered Association of Certified Accountants and Institute of Chartered Accountants of Nigeria, and also a Chartered Insurer, he has vast experience in Commerce, Industry and Insurance. He retired as the Managing Director of the Lion of Africa Insurance Company Limited.

MR. KOLAPO LAWSON

Mr. Kolapo Lawson joined the Board of Directors in 1993. He graduated with B.Sc (Hons) in Economics from University of London. He is a fellow of the Institute of Chartered Accountants (England & Wales) and Nigeria. He is the President of Lawsons Corporation and Chairman Agbara Estate Limited. He holds Board appointment in many other companies.

CHIEF J.O. ANYIGBO

Chief Anyigbo joined the Board of Directors in 2006. He has over 30 years extensive experience in all sectors of the Oil and Gas industry. He retired in 2002 from Chevron Nigeria Limited as Executive Director. Chief Anyigbo is a Fellow of Nigeria Society of Engineers, a member of the Board of Trustees of Nigeria Society of Chemical Engineers, a recipient of National Productivity

DIRECTORS

ALHAJI B.A. ZAKARIYAU

Alhaji Bala Zakariya'u is a Fellow of the Chartered Insurance of Nigeria and Nigeria Institute of Management, he is also a Fellow, National Institute of Marketing of Nigeria.

He was a one time president elected, Lagos Business School (AMP4) and member of Governing Council (LBSAA), Alumni Association (1999 - to date). He also served as the president, Chartered Insurance Institute of Nigeria between 2003 to 2004.

Alhaji Bala Zakariya'u holds appointment in several companies amongst which is Niger Insurance Plc where he is presently the Chairman Board of Directors.

MR. S.U. OSAI

Steve Osai is a Chartered Accountant and immediate past Managing Director of Pharma-Deko Plc. He is a graduate of Business Administration from University of Lagos. He joined the company from Coopers and Lybrand as a Financial Accountant. He was appointed to the Board in 1984 and was at various times responsible for the financial, administrative, personnel and marketing functions of the company.

MR. ADEKUNLE ABIBU

Mr. Adekunle Abibu started with Pharma Deko Plc on 4th August 2008. He was the Managing Director of Nestle Guinea for four years, which included operations in Sierra Leone, Liberia and Guinea Bissau.

He spent over sixteen years with Nestle Group and has experience in Industrial Engineering, Project management, International Supply Chain, and Commercial Management amongst others.

MS. NIKE OMISORE

Ms. Omisore is a 1982 Pharmacy graduate of Obafemi Awolowo University (formerly University of Ife) and is currently an Executive Director. Her career has afforded her experience in Production, Quality Assurance, Sales and Marketing. She is currently in charge of the Pharmaceutical Business Division.

MR EMMANUEL AKPARANTA

Emmanuel Akparanta is the Executive Director (Consumer Division) responsible for the Sales/Marketing aspect of our Consumer business. He is a 1986 pharmacy graduate of the University of Lagos. He has sales experience of over 15 years which has enriched his knowledge of the Nigerian business environment. He is a member of the pharmaceutical society of Nigeria.

REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements of the company for the year ended 31 December 2007.

1. RESULT

	(197,972) N'000
Loss for the year after taxation was	(242,284)
Proposed dividend	(197,972) Nil
Loss transferred to revenue reserve	(242,284)

2. LEGAL FORM

Pharma-Deko Plc (formerly Parke Davis & Company (Nigeria) Limited) was incorporated in Nigeria as a private limited liability company on 18th December 1969 and was converted to a public limited company in 1990. Its shares are currently traded on the Nigerian Stock Exchange.

3. PRINCIPAL ACTIVITIES

The company is principally engaged in the manufacturing and marketing of pharmaceutical and consumer products.

4. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN2007

This responsibility includes:

designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In doing so, they ensure that:

- proper accounting records are maintained;
- internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied; and
- the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

REPORT OF THE DIRECTORS CONT'D

The interest of the Directors in the issued share capital as recorded in the register of members and/or as notified by them for the purposes of Section 276 of the Companies and Allied Matters Act, 2007 at 31 December 2008 is as follows:

Directors' direct and indirect holdings:

	Number Of Ordinary Shares of 50k Held as at	
	31 December, 2008	31 December 2007
	Direct Holding	Indirect Holding
Mr. F.R.A Williams (Jnr.)	1,927,057	20,957,200
Mr. Chikeluba, C.C.	500,000	-
Mr. K. A. Lawson	300,000	2,587,301
Mr. S. U. Osai	4,908,531	-
(Through Plural Investment Ltd.)		
Mr. G. A. Alegieuno	200,000	
Alhaji Bala Zakariya'u	-	
(Through Niger Insurance Plc)		4,040,201
Mr. Anyingbo Josphat Olisamezie	1,000,000	
Ms. Omisore I. O.	346,914	
Mr. Akparanta Emmanuel	201,000	

6. SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, the substantial shareholders were:

(iii) Details of any shareholder holding 10% or more of the equity capital:-

UNITED INVESTMENT LTD.	-	20,957,200	-	20.96%
SHORELINE POWER COMPANY LIMITED	-	9,442,520	-	9.44%
INTERCONTINENTAL BANK/FALCON SEC. LTD - TRADING	-	6,533,558	-	6.53%

No other shareholder held more than 10% of share capital

8. DONATIONS AND CHARITABLE GIFTS

No donations and or charitable gifts were made during the year

9. RESEARCH AND DEVELOPMENT

A well co-ordinated programme of product research and development is continually carried out to ensure that our products meet our customers' expectations and that new products are developed. Close liaison is maintained with Research Institutes, Universities and professional bodies at local, regional and international levels

10 COMPANY'S DISTRIBUTORS

The following served as distributors of the company during the year:

Glory Links	Santus Pharmacy	
Mac-Vic Ventures	Charity Nwaizu Comm. Store	Yinikawa Ent.
Segun Kesh Enterprises	F.N.O. Drugs Co.	Samtad Pharmacy
Vindelia Venture	Addmoore Pharmacy	Nwafor Pharmacy
Senu Den Ent.	Bicon Pharmacy	Tony Pharmacy
Angaz Pharmacy	Moody Pharmacy	New Health Pharmacy
Olabisi Investment	Funket Pharmacy	Passmark Pharmacy
Raphco Int.	Adibe Pharmacy	Skylark Pharmacy
Latter Reign Investment	CeeCee Pharmacy	
Prince Geo & Sons	Waliv & Son Ent.	
SC Okonkwo Store	Adison Comm.	
Excel Store	Tanimola Pharmacy	
Pico Investment	Metagon Pharmacy	
Elias Omotosho Ent.	Chrisolyte Pharmacy	
Theresa Obi Ventures		
Ikolaba Ent.		
Okobiz Stores		

SUPPLIERS

11. The company's main overseas suppliers are:

Sanders Inc, (Germany)
Helm AG (Germany)
Shanghai machinery International Trading Corp. Ltd.

The main local suppliers are:

Sonnex Packaging Nigeria Limited
Karamu Plastics Industries Company
Geokev Nigeria Limited
Primal Nigeria Limited
BMS International Resources Limited
BOC Gases Nigeria Limited
Tajel Nigeria Limited
Solak Productions Limited
Wahum Nigeria Limited

The Company is not related in anyway to any of its suppliers or customers

REPORT OF THE DIRECTORS CONT'D

12. ACQUISITION OF OWN SHARES

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

13. EMPLOYMENT AND EMPLOYEES

(I) 13. Employment of disable persons:

The company has no disable employee but would give full and fair consideration to applications for employment by disable persons, having regard to their particular aptitudes and abilities. Once employed, training, promotion and career development of such persons would follow a similar pattern to those adopted for other able-bodied employees.

(II) 2. Health, safety and welfare:

The company runs and maintains an in-house clinic complimented by free medical services at designated hospitals and medical retainerships for employee during and after office hours.

Safety regulations are conspicuously displayed at the company's premises and are strictly enforced, Protective clothing is provided as appropriate. Welfare facilities such as subsidized canteens/meals, availability of washing facilities and uniforms, maternity benefits, housing and transport allowances and personal loans are provided as appropriate for employees.

(III) 3. Employees development and training:

Incentives are provided in the form of sales commission and an end of year bonus of a month's salary to employees at all levels.

Through organized departmental and general meetings, the company provides employees with information about matters concerning them and issues relating to the company's activities in general.

Management and technical expertise are the company's major assets. Therefore, investments in developing relevant skills are undertaken to fortify employees' abilities. The company organizes in-house and external training for members of staff.

14. CORPORATE GOVERNANCE REPORT

Regular interaction between the board and the executive is encouraged. Management is invited as required, to make presentations to the Board on material issues under consideration.

Directors are provided with unrestricted access to the company's management and information, as well as the resources required to carry out their responsibilities.

The Board comprises of two executive Directors and seven non-executive Directors.

The Board is responsible for the corporate governance of the company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at anytime, the financial status of the company and ensures that the accounts comply with the Companies and Allied Matters Acts, 1990.

They are also responsible for safeguarding the assets of the company by taking reasonable steps for the prevention and detection of fraud and other irregularities. During the year under review, the company was managed by a Board of seven Directors consisting of six non-executive Directors, which includes the Chairman and the Managing Director. The Board of Directors ensure that the company's objectives were implemented during the year.

15. AUDITORS

The Auditors, Messrs Akintola Williams Deloitte have indicated their willingness to continue in office. A resolution will be proposed authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD



UNITY TRUSTEES LIMITED
Secretary

AGBARA, OGUN STATE
NIGERIA.

6th November 2009

REPORT OF THE AUDIT COMMITTEE FOR
THE YEAR ENDED DECEMBER 31, 2008

In compliance with section 359 (6) of the companies and Allied Matters Act 1990, we confirm that we have reviewed the Audit report for the year ended 31st December 2007 and hereby state as follows:

1. The scope and planning of the Audit were adequate in our opinion.
2. The accounting and reporting policies of the company confirmed with statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored, and
4. We have received the Auditors' finding, and management matters and are satisfied with the departmental responses thereon.

Dated this 24th day of November, 2009



EHICHOYA OKOUGBE JEROME
CHAIRMAN, AUDIT COMMITTEE

MEMBERS OF THE AUDIT COMMITTEE

CHIEF J.O.EHICHOYA
MR. G.A. ALEGIEUNO
MR. C.C. CHIKELUBA
MR. K.A.SAKA
MRS. O.T. ASSAN
DR. M. ADEOLA

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF PHARMA-DEKO PLC**

We have audited the accompanying financial statements of **Pharma-deko Plc**, as at 31 December 2008, set out on pages 2 to 22 which have been prepared on the basis of the significant accounting policies on pages 2 and 3 and other explanatory notes on pages 7 to 20.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20, LFN 2004. The financial statements give a true and fair view of the financial position of **Pharma-deko Plc** as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 2 to the financial statements regarding the accumulated losses, working capital deficiency, negative cash flows, and erosion of shareholders' funds.

Akinola Williams Deloitte

**Chartered Accountants
Lagos, Nigeria**

6 November, 2009



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2 008

The following are the summary of significant accounting policies adopted by the company in the preparation of its financial statements.

1. Basis of accounting

The financial statements are prepared under the historical cost convention, modified by the inclusion of land and buildings and plant and machinery at professional valuation.

2. Turnover

Turnover represents the net invoiced value of goods sold to third parties.

3. Fixed assets

Fixed assets are stated at their original cost or valuation less accumulated depreciation.

4. Depreciation

Depreciation is charged over the estimated useful lives of the assets and calculated at the following rates per annum on cost or valuation:

	%
Buildings	2
Plant and machinery	10
Furniture and fittings	15
Motor Vehicles	20

5. Finance lease

The capital element of assets under finance lease is capitalised along with the company's fixed assets and depreciated at the same rate for assets of that category. The obligation to lessor is shown as part of borrowings, appropriately classified as to maturity.

6. Stocks

Stocks are stated at the lower of cost and net realisable value after making adequate provision for obsolete and damaged items. In case of goods manufactured by the company, cost includes production overheads. Goods in transit are valued at the invoice price.

Work in progress is stated at the lower of cost and net realisable value. Cost in this case consists of direct labour and materials plus appropriate proportion of factory overheads.

PHARMA-DEKO PLC

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008

7. Debtors

Debtors are stated after deduction of specific provision for any debts considered to be doubtful of collection.

8. Deferred taxation

Deferred taxation, which is principally from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. This represents taxation at the current rate of corporate income tax on the difference between the net book value of qualifying fixed assets and their corresponding tax written down values. This is in accordance with Statements of Accounting Standards (SAS) 19 on Accounting for Taxes.

9. Taxation

Income tax and education tax payable are provided on taxable profits at the current statutory rates.

10. Foreign currencies

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Foreign currencies balances are converted to Naira at the applicable rates of exchange ruling at the balance sheet date. All differences arising there from are dealt with in the profit and loss account.

12. Staff retirement benefits

The company provides a contributory pension fund scheme which is funded by contributions from employees at 7.5% and employer at 12.5% based on applicable emolument in line with the Pension Reform Act of 2004. The charge for the scheme is taken to the profit and loss account.

The company also operates an unfunded retirement benefit scheme. The benefits are based on the employees' years of service and terminal salary.

13. Provision

Provision is recognised when the company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with the Statement of Accounting Standards (SAS) 23.

14. Research and development

Expenditure incurred on research and developments are written off to profit and loss in the year in which they are incurred.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

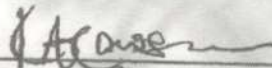
	Note	2008 N'000	2007 N'000
Turnover	3	1,105,570	790,399
Cost of sales		<u>(752,634)</u>	<u>(491,272)</u>
		352,936	299,127
Other income	4	<u>57,483</u>	<u>4,717</u>
		410,419	303,844
Selling and distribution expenses		(51,705)	(17,307)
Administrative expenses		(356,665)	(346,361)
Interest payable and similar charges	5	<u>(196,875)</u>	<u>(179,977)</u>
Loss before taxation	6	(194,826)	(239,801)
Taxation	7	<u>(3,146)</u>	<u>(2,483)</u>
Loss after taxation		<u><u>(197,972)</u></u>	<u><u>(242,284)</u></u>
Per share data (50 kobo ordinary share):			
Loss per share - Kobo		<u><u>(208)</u></u>	<u><u>(255)</u></u>

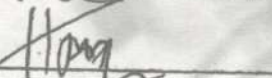
The accounting policies on pages 10 and 11 and the explanatory notes on pages 16 to 28 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 N'000	2007 N'000
FIXED ASSETS	8	<u>622,556</u>	<u>652,283</u>
FINANCE LEASED ASSETS	9	<u>376,863</u>	<u>427,612</u>
CURRENT ASSETS			
Stocks	10	66,210	33,526
Trade debtors	11	322,216	179,086
Other debtors and prepayments	12	67,688	155,117
Cash and bank balances		<u>32,023</u>	<u>49,976</u>
		<u>488,137</u>	<u>417,705</u>
CREDITORS: Amounts falling due within one year			
Bank overdrafts	13	683,520	522,780
Trade creditors		210,288	44,249
Other creditors	14	495,884	626,826
Taxation	7	<u>14,349</u>	<u>11,203</u>
		<u>1,404,041</u>	<u>1,205,058</u>
NET CURRENT LIABILITIES		<u>(915,904)</u>	<u>(787,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>83,515</u>	<u>292,542</u>
CREDITORS: Amounts falling due after more than one year			
Obligation under finance lease	17	(35,277)	(155,933)
PROVISION FOR LIABILITIES AND CHARGES			
Retirement benefits	18	<u>(233,148)</u>	<u>(203,046)</u>
NET LIABILITIES		<u>(184,910)</u>	<u>(66,437)</u>
CAPITAL AND RESERVES			
Share capital	19	49,759	47,480
Share premium	20	236,060	158,840
Revaluation reserve	21	367,213	367,213
Revenue reserve	22	<u>(837,942)</u>	<u>(639,970)</u>
SHARE HOLDERS FUND		<u>(184,910)</u>	<u>(66,437)</u>

The financial statements on pages 2 to 22 were approved by the Board of Directors on 6 November, 2009 and signed on its behalf by:





) Directors

The accounting policies on pages 10 and 11 and the explanatory notes on pages 16 to 28 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 N'000	2007 N'000
Cash flows from operating activities			
Cash receipts from customers		1,019,547	933,822
Cash paid to suppliers and employees		<u>(941,171)</u>	<u>(726,145)</u>
Net cash provided by operating activities	23	<u>78,377</u>	<u>207,677</u>
Cash flows from investing activities			
Purchase of fixed assets	8	(19,413)	(9,730)
Proceed from disposal of assets		-	8,700
Interest received and similar income		<u>375</u>	<u>121</u>
Net cash provided by investing activities		<u>(19,038)</u>	<u>(909)</u>
Cash flows from financing activities			
Interest paid on loans and overdraft	5	(196,875)	(179,977)
Proceed on share issues		81,227	-
Share issue expenses		(1,728)	-
Lease repaid		<u>(120,656)</u>	<u>(114,169)</u>
Net cash provided by financing activities		<u>(238,032)</u>	<u>(294,146)</u>
Net decrease in cash and cash equivalents		(178,693)	(87,378)
Cash and cash equivalents at 1 January		<u>(472,804)</u>	<u>(385,426)</u>
Cash and cash equivalents at 31 December	24	<u><u>(651,497)</u></u>	<u><u>(472,804)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. THE COMPANY

1.1 Legal form

Pharma-Deko Plc (formerly Parke Davis & Company (Nigeria) Limited) was incorporated in Nigeria as a private limited liability company on 18 December 1969 and was converted to a public limited company in 1990. The major shareholder of the company are United Investment Limited and Shoreline Power Company Limited with shareholding of 20.96% and 9.43% respectively while the balance of 68.98% is held by other Nigerian investors.

1.2 Principal activities

The Company is principally engaged in the manufacturing and marketing of pharmaceutical and consumer products.

2. GOING CONCERN CONSIDERATIONS

As at 31 December 2008, the company had accumulated losses of N838 million (2007 - N640 million), working capital deficiency of N915 million (2007 - N787 million), negative cashflows of N652 million (2007 - N473 million) and shareholders' fund had been eroded by N185 million (2007 - N66 million). Consequently, the going concern status of the company is threatened and this has raised doubts over its ability to continue in business.

The financial statements have been prepared on a going concern basis which presupposes that the financial arrangements which the Directors have embarked on in 2009 will be successful.

3. TURNOVER

Turnover represents the net invoiced value of goods sold to third parties and the analysis of turnover and loss by geographical areas is as follows:

	Turnover		Loss before taxation	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
Local	1,105,570	790,334	(194,826)	(239,801)
Export	-	65	-	-
	<u>1,105,570</u>	<u>790,399</u>	<u>(194,826)</u>	<u>(239,801)</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

	2008 N'000	2007 N'000
4. OTHER INCOME		
Interest income	375	121
Miscellaneous income	2,273	1,728
Profit on disposal of fixed assets	-	2,862
Provision no longer required	54,835	-
Contract manufacturing/packaging	-	6
	<u>57,483</u>	<u>4,717</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest on bank overdrafts	36,464	75,386
Interest on commercial papers	93,172	57,015
Interest on finance lease	67,239	47,576
	<u>196,875</u>	<u>179,977</u>

6. LOSS BEFORE TAXATION

This is arrived at after charging/(crediting):

Depreciation:		
- Fixed assets	49,140	58,015
- Leased assets	50,749	53,313
Directors' emoluments (Note 25)	11,382	5,625
Exchange loss	-	937
Audit fee	5,000	2,246
Profit on disposal of fixed assets	<u>-</u>	<u>(2,862)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008 N'000	2007 N'000
7. TAXATION		
.1 Per profit and loss account		
Income tax	-	-
Education tax	-	-
Minimum tax	<u>3,146</u>	<u>2,483</u>
	<u>3,146</u>	<u>2,483</u>
.2 Per balance sheet		
At 1 January	11,203	8,720
Charge for the year	<u>3,146</u>	<u>2,483</u>
	14,349	11,203
Paid during the year	<u>-</u>	<u>-</u>
At 31 December	<u>14,349</u>	<u>11,203</u>

The charge for taxation in these financial statements for the year ended 31 December 2008 is based on the provisions of Companies Income Tax Act, CAP C21, LFN 2007 Section 33, [Minimum Tax Payable].

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

8. FIXED ASSETS

	Land and buildings N'000	Plant and machinery N'000	Furniture and fittings N'000	Motor vehicles N'000	Total N'000
Cost/valuation					
At 1 January 2008	470,000	341,885	2,312	52,368	866,565
Additions	157	15,513	293	3,450	19,413
At 31 December 2008	<u>470,157</u>	<u>357,398</u>	<u>2,605</u>	<u>55,818</u>	<u>885,978</u>
Depreciation					
At 1 January 2008	9,400	156,865	1,547	46,470	214,282
Charge for the year	9,400	35,437	370	3,933	49,140
At 31 December 2008	<u>18,800</u>	<u>192,302</u>	<u>1,917</u>	<u>50,403</u>	<u>263,422</u>
Net book value					
At 31 December 2008	<u><u>451,357</u></u>	<u><u>165,096</u></u>	<u><u>688</u></u>	<u><u>5,415</u></u>	<u><u>622,556</u></u>
At 31 December 2007	<u><u>460,600</u></u>	<u><u>185,020</u></u>	<u><u>765</u></u>	<u><u>5,898</u></u>	<u><u>652,283</u></u>

The Company's land and buildings and plant and machinery were revalued by Messrs Jide Taiwo and Company (Estate Surveyors and Valuers) on the basis of an open market valuation on 4th November 2004. The land and building were again revalued on an open market basis by the same firm of Estate Surveyors and Valuer on 27th December, 2007.

These revaluations have been incorporated in the financial statements. Subsequent additions after each revaluation are stated at cost.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

9. FINANCE LEASED ASSETS

	Plant and machinery N'000	Motor vehicles N'000	Total N'000
Cost			
At 1 January 2008	<u>495,295</u>	<u>6,100</u>	<u>501,395</u>
At 31 December 2008	<u>495,295</u>	<u>6,100</u>	<u>501,395</u>
Depreciation			
At 1 January 2008	70,635	3,148	73,783
Charge for the year	<u>49,529</u>	<u>1,220</u>	<u>50,749</u>
At 31 December 2008	<u>120,164</u>	<u>4,368</u>	<u>124,532</u>
Net book value			
At 31 December 2008	<u>375,131</u>	<u>1,732</u>	<u>376,863</u>
At 31 December 2007	<u>424,660</u>	<u>2,952</u>	<u>427,612</u>
		2008	2007
		N'000	N'000

10. STOCKS

Raw materials	44,966	25,160
Finished goods	2,682	4,076
Supplies	<u>98,726</u>	<u>84,454</u>
	146,374	113,690
Less provision for obsolete items	<u>(80,164)</u>	<u>(80,164)</u>
	<u>66,210</u>	<u>33,526</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008	2007
	N'000	N'000
11. TRADE DEBTORS		
Trade debtors	492,706	404,411
Deduct: Provision	<u>(170,490)</u>	<u>(225,325)</u>
	<u>322,216</u>	<u>179,086</u>
12. OTHER DEBTORS AND PREPAYMENTS		
Prepayments	15,523	16
Staff debtors	19,790	19,404
Advance payments to suppliers	-	124,374
Other debtors	<u>32,375</u>	<u>11,323</u>
	<u>67,688</u>	<u>155,117</u>
13. BANK OVERDRAFTS		
Bank overdrafts	427,153	294,634
Commercial paper	<u>256,367</u>	<u>228,146</u>
	<u>683,520</u>	<u>522,780</u>

Bank loans and overdrafts, are secured by a negative pledge on fixed/floating assets of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

	2008 N'000	2007 N'000
14. OTHER CREDITORS		
Sundry creditors	30,223	94,875
VAT payable	77,790	52,116
Customers' deposits	203,765	210,818
Accruals	45,572	130,483
Finance lease obligations (Note 17)	<u>138,534</u>	<u>138,534</u>
	<u>495,884</u>	<u>626,826</u>

15. UNCLAIMED DIVIDEND

As confirmed by the Registrar's, there are unclaimed dividends payable held by the Registrars in respect of:

Dividend No.20	<u>1,205</u>	<u>1,205</u>
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This has not been adjusted in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

16. DEFERRED TAXATION

The Company has adopted the Statement of Accounting Standard, SAS 19 on deferred taxation which is computed using the liability method. However, current year computation resulted into deferred tax assets of N373,779,658 (2007 : N214,453,244) and the Directors are of the opinion that this should not be adjusted in the financial statements on account of prudence.

17. OBLIGATION UNDER FINANCE LEASE

At 1 January
Repayments

2008 N'000	2007 N'000
294,467	408,636
<u>(120,656)</u>	<u>(114,169)</u>
173,811	294,467
<u>(138,534)</u>	<u>(138,534)</u>
<u>35,277</u>	<u>155,933</u>

Amount repayable within twelve months
of balance sheet date (Note 14)

At 31 December

The amount represents outstanding obligation on leased Plant and Machinery. The lease attracts a fixed and floating charge on the assets of the company situate at Plot C 15/3, Agbara Industrial Estate, Ogun State.

The company is committed to the following minimum lease payments:

	N'000
- 2009	138,534
- 2010 and after	<u>35,277</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008 N'000	2007 N'000
18. RETIREMENT BENEFITS		
.1 Staff Provident Fund		
At 1 January	64,454	21,846
Provision for the year	<u>18,216</u>	<u>42,608</u>
At 31 December	<u>82,670</u>	<u>64,454</u>
.2 Staff Gratuity		
At 1 January	138,592	132,621
Provision for the year	15,432	5,971
Payments during the year	<u>(3,546)</u>	<u>-</u>
At 31 December	<u>150,478</u>	<u>138,592</u>
	<u>233,148</u>	<u>203,046</u>

19. SHARE CAPITAL

.1 Authorised:		
300,000,000 ordinary shares of 50k each	<u>150,000</u>	<u>50,000</u>

The Company by an ordinary resolution passed at the Extra Ordinary General Meeting held on 27 February, 2006 increased its authorised share capital from N50 million to N150 million by the creation of 200 million ordinary shares of 50k each ranking in all respects pari-passu with the existing shares. The increase in shares were registered with the Corporate Affairs Commission on 31 March, 2008.

	2008 N'000	2007 N'000
.2 Issued and fully paid:		
At 1 January	47,480	47,480
Warehoused shares allotted	<u>2,279</u>	<u>-</u>
At 31 December	<u>49,759</u>	<u>47,480</u>

The increase in issued and fully paid up share capital was due to 4,568,000 ordinary share of 50k warehoused by Financial Derivatives Company Limited from 2005/2006 right issue not fully subscribed but now allotted during the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008 N'000	2007 N'000
20. SHARE PREMIUM		
At 1 January	158,840	158,840
Addition during the year	77,220	-
	<u>236,060</u>	<u>158,840</u>
21. REVALUATION RESERVE		
At 1 January	367,213	277,324
Addition during the year:		
- Revaluation surplus	-	75,196
- Accumulated depreciation	-	14,693
	<u>367,213</u>	<u>367,213</u>
At 31 December	<u>367,213</u>	<u>367,213</u>
The revaluation surplus arose on the revaluation of land and building carried out on 27 December, 2007 (Note 8).		
22. REVENUE RESERVE		
At 1 January	(639,970)	(397,686)
Loss transferred from profit and loss account	(197,972)	(242,284)
	<u>(837,942)</u>	<u>(639,970)</u>
At 31 December	<u>(837,942)</u>	<u>(639,970)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008 N'000	2007 N'000
23. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Loss after taxation	(197,972)	(242,284)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	99,889	111,328
Profit on disposal of fixed assets	-	(2,862)
Interest expenses	196,875	179,977
Interest income	(375)	(121)
Changes in assets and liabilities:		
(Increase)/decrease in stocks	(32,684)	55,283
Increase in trade debtors	(143,130)	(69,128)
Decrease/(increase) other debtors and prepayments	87,429	(45,606)
Increase/(decrease) in trade creditors	166,039	(4,169)
(Decrease)/increase in other creditors	(130,942)	174,197
Increase in retirement benefits	30,102	48,579
Increase in taxation	3,146	2,483
Total adjustments	<u>276,349</u>	<u>449,961</u>
Net cash provided by operating activities	<u>78,377</u>	<u>207,677</u>
24. CASH AND CASH EQUIVALENTS		
Cash and bank balances	32,023	49,976
Bank overdrafts	(683,520)	(522,780)
	<u>(651,497)</u>	<u>(472,804)</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

**25. INFORMATION REGARDING DIRECTORS
AND EMPLOYEES:**

- .1 Emoluments (including fees):-
Chairman
Other Directors

2008
N'000

2007
N'000

40

40

140

120

180

160

Other Emoluments:

- Chairman
Other Directors

-

-

11,382

5,625

11,382

5,625

- .2 The number of Directors excluding the Chairman
whose emoluments exclusive of allowances
were within the following ranges are:-

N		N
10,001	-	20,000
20,001	-	40,000
1,790,001	-	1,800,000
1,800,001		and above

Number

Number

7

7

1

1

1

1

2

1

- .3 The highest paid Director earned N5,625,000.

- .4 The average number of persons employed in the
financial year and the related staff costs were as follows:-

Categories:

- Managerial
Other staff

20

18

119

142

139

160

N'000

N'000

270,983

188,375

Related costs (N'000)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

.5 The number of employees in receipt of emoluments excluding allowance and provident fund contributions within the following ranges were:-

N	N	2008 Number	2007 Number
230,001 -	280,000	-	1
280,001 -	330,000	11	14
330,001 -	380,000	20	20
380,001 -	430,000	6	6
430,001 -	480,000	6	35
480,001 -	530,000	35	13
530,001 -	580,000	9	9
580,001 -	630,000	5	6
630,001 -	680,000	13	14
680,001 -	730,000	4	1
730,001 -	780,000	5	7
780,001 -	830,000	1	2
830,001 -	880,000	1	3
880,001 -	930,000	3	3
930,001 -	1,080,000	3	4
1,080,001 -	1,180,000	4	-
1,180,001 -	1,230,000	1	6
1,300,001 -	1,350,000	1	1
1,350,001 -	1,400,000	-	2
1,400,001 -	1,450,000	1	-
1,500,001 -	1,550,000	1	1
1,830,001 -	1,880,000	2	2
2,130,001 -	2,180,000	-	2
2,330,001 -	2,380,000	1	1
2,480,001 -	2,530,000	-	1
2,550,001 -	2,600,000	1	-
3,550,001 -	3,600,000	-	1
3,650,001 -	3,700,000	-	1
3,950,001 -	4,000,000	-	1
4,000,001 -	4,950,000	1	-
4,950,001 -	5,000,000	-	1
5,950,001 -	6,000,000	1	1
8,000,000 -	8,800,000	2	-
8,950,001 -	9,000,000	1	1
		<u>139</u>	<u>160</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

26. CONTINGENT LIABILITIES

Contingent liabilities in respect of pending litigation which amount to N23,466,158 (2007 : N23,800,216) have not been provided for in these financial statements as the Directors are of the opinion that the claims will not materialise.

27. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events which would have had any material effect on the balance sheet as at 31 December 2008.

28. EARNINGS PER SHARE

These are based on (loss)/profit after tax and issued and fully paid ordinary shares at the end of each financial year.

29. COMPARATIVE FIGURES

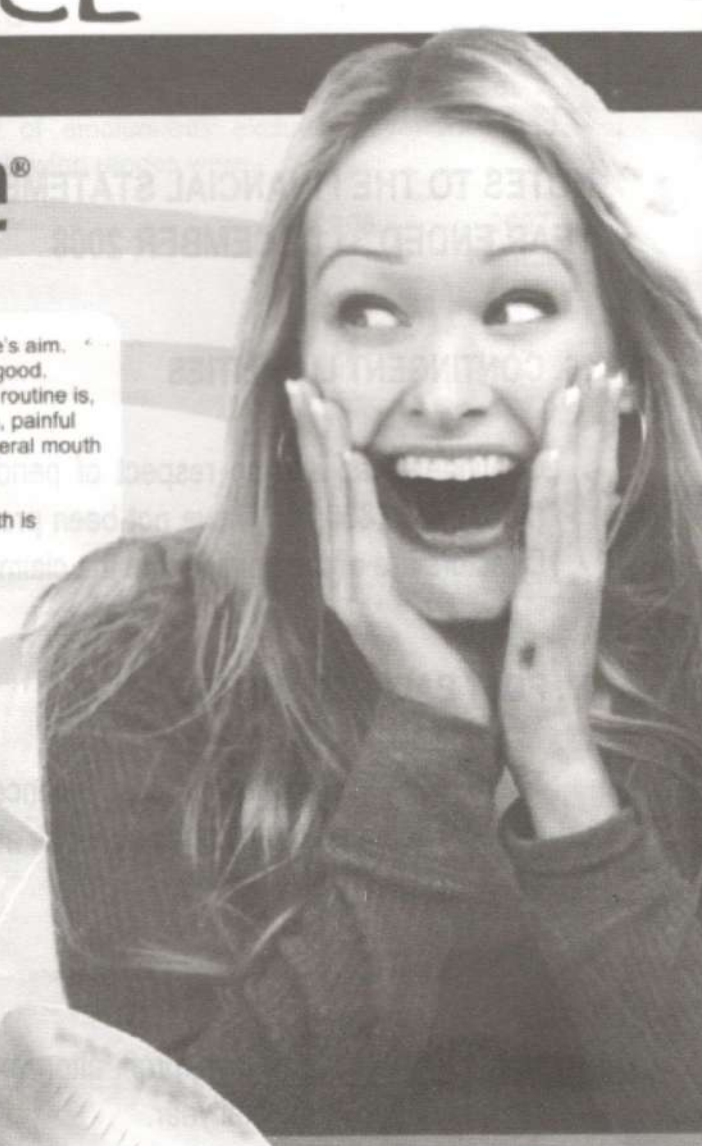
Certain comparative figures have been restated in order to conform with current year's presentation.

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Hexetidine

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For mouth and throat infections

For Enquiries contact

Pharma-Deko Plc, Plot C15/3, Agbara Industrial Estate, Agbara, Ogun State -Nigeria.

**STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 N'000	%	2007 N'000	%
Turnover	1,105,570		790,399	
Other income	57,483		4,717	
	<u>1,163,053</u>		<u>795,116</u>	
Less: Bought-in goods and services				
- Local	(790,132)		(555,237)	
- Imported	-		-	
VALUE ADDED	<u><u>372,921</u></u>	<u>100</u>	<u><u>239,879</u></u>	<u>(100)</u>
APPLIED AS FOLLOWS:				
To pay employees				
Wages, salaries and other benefits	270,983	73	188,375	79
To pay providers of capital				
Interest on borrowings	196,875	52	179,977	75
To pay Government:				
Taxation	3,146	1	2,483	1
To provide for replacement of assets and expansion of business				
Depreciation:				
- Fixed assets	49,140	13	58,015	24
- Leased assets	50,749	14	53,313	22
Profit and loss account	(197,972)	(53)	(242,284)	(101)
	<u><u>372,921</u></u>	<u>100</u>	<u><u>239,879</u></u>	<u>100</u>

Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, providers of finance, government and that retained for future creation of more wealth.

BOARD OF DIRECTORS

FINANCIAL SUMMARY 31 DECEMBER

	2008 N'000	2007 N'000	2006 N'000	2005 N'000	2004 N'000
ASSETS					
Fixed assets	622,556	652,283	616,516	498,663	368,499
Finance leased assets	376,863	427,612	480,925	19,496	4,928
Net current (liabilities)/assets	(915,904)	(737,353)	(586,914)	14,999	(31,773)
Deferred taxation	-	-	-	(21,368)	(21,368)
Obligation under finance lease	(35,277)	(155,933)	(270,102)	(5,320)	-
Retirement benefits	(233,148)	(203,046)	(154,467)	(83,182)	(75,298)
	<u>(184,910)</u>	<u>(66,437)</u>	<u>85,958</u>	<u>423,288</u>	<u>244,988</u>
CAPITAL AND RESERVES					
Share capital	49,759	47,480	47,480	47,480	42,480
Deposit for shares	-	-	-	-	2,400
Share premium	236,060	158,840	158,840	158,840	124,900
Revaluation reserve	367,213	367,213	277,324	277,324	143,779
Revenue reserve	(837,942)	(639,970)	(397,686)	(60,356)	(68,571)
	<u>(184,910)</u>	<u>(66,437)</u>	<u>85,958</u>	<u>423,288</u>	<u>244,988</u>
PROFIT AND LOSS ACCOUNT					
Turnover	<u>1,105,570</u>	<u>790,399</u>	<u>648,868</u>	<u>564,944</u>	<u>712,481</u>
(Loss)/profit before taxation	(194,826)	(239,801)	(357,559)	12,088	36,970
Taxation	<u>(3,146)</u>	<u>(2,483)</u>	<u>20,229</u>	<u>(3,872)</u>	<u>(6,351)</u>
(Loss)/profit after taxation	(197,972)	(242,284)	(337,330)	8,216	30,619
Dividend declared	-	-	-	-	(16,992)
(Loss)/profit transferred to reserve	<u>(197,972)</u>	<u>(242,284)</u>	<u>(337,330)</u>	<u>8,216</u>	<u>13,627</u>
Per share data (kobo):					
(Loss)/earnings	(208)	(355)	(397)	82	106
Dividend	-	-	-	20	10
Net (liabilities)/assets (Naira)	<u>(2)</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>

Notes:

- (Loss)/earnings per share: These are based on (loss)/profit after tax and issued and fully paid ordinary shares at the end of each financial year.
- Dividend per share are based on dividend declared and the issued and fully paid ordinary shares at the end of each year.
- Net (liabilities)/assets per share: These are based on net (liabilities)/assets and issued and fully paid ordinary shares at the end of each financial year.

Dividend History

SN	Year of Payment	Amount Declared
Div 16	1997	10k
Div 17	1998	10k
Div 18	2003	10k
Div 19	2004	20k
Div 20	2005	20k

MANAGEMENT



Omisore omonike
Executive Director
(Pharma Division)



Agbemuko Julius
GM, Logistics



Akparanta Emmanuel
Executive Director
(Consumer Division)



Adebisi Raphael
Chief Finance Officer



Abibu Adekunle
CEO/Managing Director



Isola Olukayode
Acting Gen. Producer/Consumer Services



Owode Bamidele
Head, Factory & Engineering



Onabanjo Ekundayo
Head, Quality Assurance



Bajulaye Isaac
Pharmaceutical Manager

PROXY FORM	Numbers of share	
PHARMA- DEKO PLC	Resolution	for against
Thirty Ninth Annual General Meeting to be held at 2pm on the2009 at.....	To adopt the financial statement and reports thereon	<input type="checkbox"/> <input type="checkbox"/>
I/we *-----	Re-elect Directors	
Being a member/members of PHARMA-DEKO PLC	Approve the remuneration of the Director	
here by appoint **-----	To appoint new auditors	
Failing him/her, the chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company held on the 2009 and at any adjournment.	To Authorize the Directors to fix the remuneration of Auditors	
Dated this----- Day ----- 2009	To reappoint members of the audit committee	
	Please indicate with an 'X' in the appropriate space how you wish votes to be cast on resolutions set. Above unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.	

NOTES

A member who is unable to attend an annual General Meeting is allowed by law to vote by proxy. the Proxy form should be completed if the member will not be attending the meeting.

If you are unable to attend the meeting, read the following instructions carefully.

- a) Write your name in BLOCK CAPITALS in the space marked**
- b) Write the names of your proxy where marked ** and ensure that the form is signed by you or any share holder(in case of joint shareholders)
- c) If the shareholder is a corporate body, this form must be under its common seal or under hand of some officers or Attorney duly authorized on their behalf.
- d) The executed proxy form must be deposited at the address shown on page 33 not less than 48 hours before the time of meeting.

Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the space marked*** on the form the name of any person (needs to be a member of the company who will attend the meeting and vote on your behalf instead of the chairman.

Please admit Shareholder -----

Or in his/her place Mr/Mrs/Miss -----

To represent him/her, at the
39th ANNUAL GENERAL MEETING OF **PHARMA
DEKO** PLC to be held at 2pm.

On 14th December 2009, at Sheraton Hotel and Towers, Ikeja Lagos.

THIS FORM SHOULD BE COMPLETED, TORN OFF AND PRODUCED BY THE
SHAREHOLDERS OR HIS/HER NOMINEE IN ORDER TO GAIN ENTRANCE TO
THE MEETING.

Please see proxy form on page 31

PHB Capital & Trust Limited
(A Subsidiary of Bank PHB)
Registrars

NAME AND ADDRESS OF SHAREHOLDERS

No. Of Shares

--

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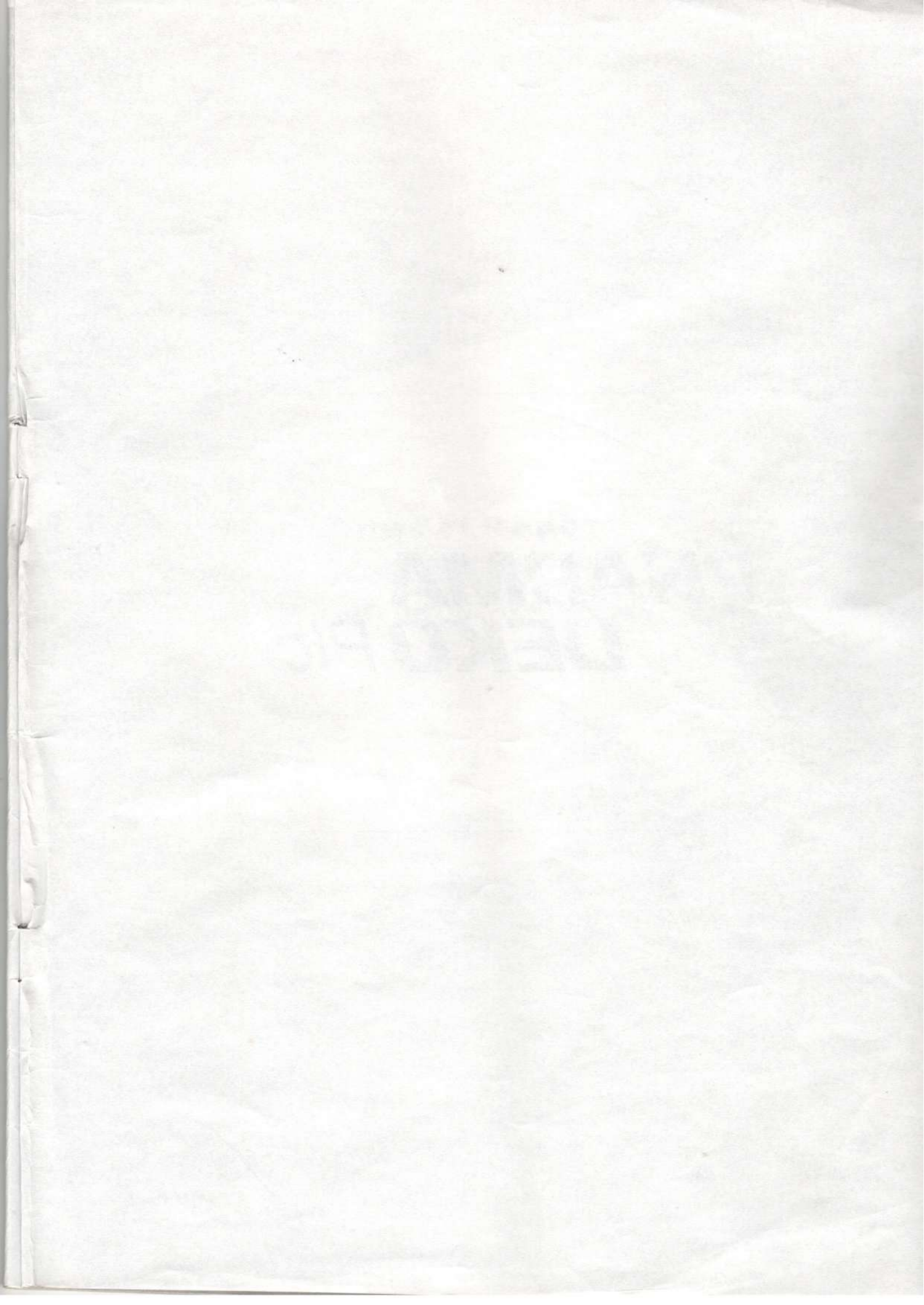
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As presented at the
SPECIAL MEETING OF THE
FEDERAL BUREAU OF INVESTIGATION





PHARMA
DEKO Plc