

Serve Chilled

SANS CREAM SODA
REFRESHING DRINK

- Sugar-Free
- Low Calorie
- Non-Alcoholic
- Creamy Taste

DRALMIN
Mouthwash
Teeth and Gums Protection

Vitacee
A BRAND OF VITAMIN DROPS

Parkaprim
For Children

Parkalin
Expectorant For Children

Pharmadec
multivitamin drops for babies

Dextra
READY TO DRINK ENERGY DRINK

The Refreshing Drink With a Real Creamy Taste

PHARMA DEKO PLC

Providing Healthy Solution



2021 ANNUAL REPORTS & FINANCIAL STATEMENTS

Customer Care Lines: 08169622189, 08159060293, 08034471390
 Plot C1/1, Okeja Close, Agbara Industrial Estate, Agbara, Ogun State.
 Website: www.pharmadekoplac.com E-mail Address: customercare@pharmadekoplac.com

Corporate Information.....	2
Notice of Meeting.....	3
Financial Highlights.....	4
Chairman's Statement.....	5 - 7
Company's Profile.....	8
Board of Directors.....	9
Directors Profile.....	10 - 11
Report of The Directors.....	12 -22
Directors' Responsibilities & Approval	23
Certification Purxuant to Section 60(2) of Investment and Securities Act No. 29 of 2007..	24
Report of The Audit Committee.....	25
Independent Auditor's Report	26 - 29
Statement of Financial Position.....	30
Statement of Profit or Loss & Other Comprehensive Income.....	31
Statement of Changes in Equity.....	32
Statement of Cash Flows.....	33
Accounting Policies	34 - 45
Notes To The Financial Statements.....	46 - 61
Value Added Statement	62
Five Year Financial Summary	63
Management Team.....	65
Shareholders' Proxy Form	67 - 68
E-Dividend Mandate Activation Form	69 - 70
Shareholders' Information Form.....	71 - 72
Authority To Electronically Receive Corporate Information	73 - 74
Products' Advertisement	75 - 80
Notes.....	81 - 89

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Manufacturing, packaging and marketing of high quality pharmaceutical and consumer products
Directors	Mr. F.R.A. Williams (Jr)-(Chairman) Mr. O.O. Isola - Managing Director Chief C.C. Chikeluba Mr. K.A. Lawson Chief J.O. Anyigbo Mr. G.A. Alegieuno Professor Herbert A.B Coker Mr. E.A. Anaba
Registered office	Plot C1/1 Okene Close, Agbara Industrial Estate, Agbara, Ogun State. P.O.Box 1479, Apapa Lagos. E-mail : info@pharmadekopl.com Tel. No.: 08169622189, 08159060293
Secretary	Unity Trustees Limited 1, Shagamu Avenue, Ilupeju, Lagos.
Legal advisors	Chief Rotimi Williams' Chambers 1, Shagamu Avenue Ilupeju, Lagos P.O Box 3426, Marina, Lagos Tel: 2715354-61, 2719634-7 7419142, 7349941 Website: www.frawilliams.com Email: fra@frawilliams.com
Auditors	SIAO Partners Chartered Accountants 18b, Olu Holloway, Ikoyi, Lagos.
Registrars & Transfer Office	Apel Capital Registrars Limited, 8, Alhaji Bashorun Street, Off Norman Williams Crescent South West Ikoti, Lagos P.O.Box 2388, Marina, Lagos Tel: 01-2932121, 07046126698 E-mail: registrars@apel.com.ng
Bankers	Access Bank Plc Ecobank Nigeria Plc First City Monument Bank Plc United Bank for Africa Plc Union Bank of Nigeria Plc

NOTICE IS HEREBY GIVEN THAT THE 52nd Annual General Meeting of Pharma-Deko Plc will be held at Palmgrove House, No. 1, Shagamu Avenue, Ilupeju, Lagos State on Thursday, 2 June 2022 at 12 noon to transact the following businesses:

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the year ended 31 December 2021, together with the Reports of the Directors, Audit Committee and Independent Auditors thereon.
2. To elect/re-elect Directors
3. To re-appoint the Independent Auditors
4. To authorize the Directors to fix the remuneration of the Auditors
5. To disclose the remuneration of Managers of the Company
6. To elect members of the Audit Committee

NOTE:

1. PROXY

In view of COVID-19 pandemic, the restriction on mass gatherings and in line with the Guidelines issued by the Corporate Affairs Commission on holding AGMs using proxies, attendance at the AGM shall only be by proxy. Consequently, a member entitled to attend and vote at the AGM is advised to select from the underlisted proposed proxies to attend and vote in his stead;

- | | | | |
|----|-------------------------|---|-------------------|
| a) | Mr. FRA Williams | - | Chairman |
| b) | Mr. O.O Isola | - | Managing Director |
| c) | Mr Matthew Akinlade | - | Shareholder |
| d) | Dr .Anthony Omojola | - | Shareholder |
| e) | Mrs Bisi Bakare | - | Shareholder |
| f) | Mr Ariyo Olugbosun | - | Shareholder |
| g) | Chief Timothy Adeshiyan | - | Shareholder |
| h) | Mrs Samiat Odunuga | - | Shareholder |

A proxy form is attached to the Annual Report. All instruments of proxy must be completed and deposited with the Office of the Registrar of the Company, Apel Capital & Trust Limited at 8, Alhaji Bashorun Crescent, Off Norman Williams, Ikoyi, Lagos or via E-mail at registrars@apel.com.ng not later than 48 hours before the time fixed for the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

2. LIVE STREAMING OF THE AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live stream would be made available at the Company's website at www.pharmadekopl.com.

3. CLOSURE OF REGISTER AND TRANSFER OF BOOKS

The Register of Members will be closed from the 9th day of May 2022 to the 13th day of May 2022 both dates inclusive for the purpose of updating the Register.

4. AUDIT COMMITTEE

The Audit Committee consists of 3 Shareholders and 3 Directors. In accordance with Section 359(5) of the Companies and Allied Matters Act (cap C20, Laws of the Federation of Nigeria) 2020, any member of the Company 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.

5. UNCLAIMED DIVIDEND

Shareholders with dividend warrants and share certificates that have remained unclaimed, or are yet to be presented for payment or returned for validation are advised to complete the e-dividend registration or contact the office of the Registrars, Apel Capital & Trust (Registrars) Limited, 8, Alhaji Bashorun, Off Norman Williams Street, Ikoyi or email registrars@apel.com.ng to confirm their dividend status.

6. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company Secretary on or before 27 May 2022.

7. ELECTRONIC ANNUAL REPORT

The soft copy of the 2021 Annual Report is on our website and sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the 2021 Annual Report should request via email to: registrars@apel.com.ng

**The date of this Notice is 11th of May 2022.
BY THE ORDER OF THE BOARD**



**ELVIS E. ASIA
FOR: UNITY TRUSTEES LIMITED
COMPANY SECRETARY
1, Shagamu Avenue, Ilupeju, Lagos**



Distinguished shareholders, members of the Board of Directors, representatives of the Regulatory authorities, the Security and Exchange Commission (SEC), the Nigerian Exchange (NGX) and the Corporate Affairs Commission (CAC), our auditor- SIAO Partners, invited guests, observers, members of the press, ladies and gentlemen. I am delighted to welcome you all to 52nd Annual General Meeting (AGM), of our company Pharma-Deko Plc. Thank you all for joining us.

COVID-19 still had a very serious impact in 2021 with a resurgence of the virus with the discovery of the Omicron variant. This continued to have an impact on our business model and our company had to re-strategise and adapt our business to fit the new reality we all found ourselves in.

Ladies and Gentlemen, it is with great honour, that I present to you the Financial Report and Performance Review of our Company for the financial year ended 31st December 2021. I would first like to provide a brief review of the operating economic environment that impacted our company's performance in 2021.

OPERATING ECONOMIC ENVIRONMENT

The Nigerian economic environment is going through an unprecedented crisis. We are entering the third year of the pandemic and also face significant security and economic challenges, some of which greatly impacted our company's performance in 2021.

Inflation continues to rise rapidly and as a consequence, this impacts the cost of doing business. There has been a substantial increase in our operating costs, due to several factors; the unavailability of foreign exchange, lack of power supply and the increased cost of raw materials and rising costs of logistics. Furthermore, the economic policies of the government have hampered the growth of the Manufacturing sector.

Nigeria's economy still depends heavily on oil and the drop in oil prices and the inherent security challenges in meeting our OPEC production quota has resulted in a decline in government revenues which impacted the availability of foreign exchange.

All these factors negatively affected our company's performance and operations.

HEALTH SECTOR

You will recall that on the 1st of May 2018 the Federal Minister of Health (FMH) issued a directive to the National Agency for Food and Drug Administration and Control (NAFDAC) and Pharmacists Council of Nigeria (PCN) to suspend the production of "Codeine Containing Cough Syrup"; suspend new license registration for the product, suspend the issuance of further import permit for Codeine Phosphate; do an audit trail and recall all "Codeine Containing Cough Syrup".

It is important to note that in collaboration with the Pharmaceutical Manufacturers Group of the Manufacturers Association of Nigeria (PMG-MAN), compensation was finally paid for the finished goods by the Federal Government of Nigerian to the affected companies which included Pharma Deko. Efforts to get compensation for the Active Pharmaceutical Ingredients (API) from the Federal Government are still ongoing.

COMPANY REVIEW

Dear Shareholders, Ladies and Gentlemen,

Firstly, I want to say that we recognize the importance of meeting shareholders' expectations and delivering a long-term shareholder-value driven company is of paramount concern to the Board and Management. Consequently, our company has refocused on strengthening its position in the Pharmaceutical Industry. We are repositioning our quality pharmaceutical products to command greater market share, especially in oral hygiene, whilst making sure that the Consumer segment is more productive and profitable. We are also making progress with the discussions to commence the importation of solid dosage medication which are fast-moving and a guaranteed revenue stream.

In line with our objectives to becoming a major player in the oral healthcare segment, Pharma-Deko has continued to participate in the annual "World Oral Health Day" to increase awareness in oral hygiene.

To position our leading oral health product BRETT as a premium product, it is being advertised on television nationwide, while our team of Pharmaceutical Sales Reps and Modern Trade Executives are engaged in retail end distribution through hyper-supermarkets, supermarkets, pharmacies, and dental clinics. Meanwhile, the challenges posed by high redistribution costs are being actively tackled to ensure an optimal return on investment.

The Board of Directors and Management remain focused on our strategic initiatives aimed at sustaining long-term growth. We shall continue to strive to improve the performance of our Company and to position it as one of the leading Pharmaceutical companies y in Nigeria.

OPERATING RESULT

Distinguished shareholders, our company recorded a turnover of N503.548 million which is 9% more than our achieved turnover for 2020 with a loss of N 69.787 Million.

FUND SOURCING

For the past several years, we have been financing our operations solely from our revenue from manufacturing operations and product sales. The company had no external financing.

This model however is no longer sufficient for the company to achieve its objectives. The company will have to seek external financing options so that we can accelerate our Company's growth and expand our operations. We have approached shareholders, directors, and banks for working capital and to negotiate favourable financing terms. This is expected to yield positive results as we currently have a healthy credit status/outlook.

BUSINESS OUTLOOK

The Board and Management are cautiously optimistic that with the strategic initiatives being introduced, our continued investment in our brands and people as well as with the Injection of external capital, we will be delivering growth for the business in the coming years.

TRAINING AND DEVELOPMENT

Our Company continued the training and development of its key staff to ensure that they are always kept abreast of all Pharma and Consumer installations and innovative technology in our business sector.

DIVIDENDS

The Board of Directors is not recommending the payment of dividends for the year ended 31st December 2021

CHANGES IN THE BOARD

There are no changes on the Board.

CONCLUSION

Distinguished ladies and gentlemen, even in the midst of a tough economic climate, your continued trust and confidence in the company have been vital in our path to growth and continued progress. I thank every one of you, customers, employees, partners, shareholders, suppliers, lenders, and the community at large for your continued support. We do not take this for granted.

I look forward to hopefully meeting you face-to-face next year under normal circumstances. Until then, stay safe and well.

Finally, I thank you most sincerely for your presence and kind attention.

F.R.AWILLIAMS

COMPANY PROFILE

PHARMA-DEKO PLC. started in Nigeria in 1969 as Parke-Davis Company (US) 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. 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 Enterprise Promotion Decree (1972), 40% of the shares of the company were sold to the Nigeria citizens and associations. The company operated under the name, Parke-Davis and Company (Nig.) Limited until February 28, 1980, when the name was changed to Pharma-Deko Limited. Sequel to its conversion from private to 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 (International Standard Organisation) certified to produce Vitacee (brand of Vitamin C) Drops/Syrups and Carbonated Soft Drinks.

Our consistent level of quality and dedication to healthcare makes us one of the country's leading producers of pharmaceutical and consumer healthcare products. Our popular brands include but are not limited to Pharmadec (Syrup and Drops), Parkalin Cough Range, Anuproct, Salins Liniment, Revitone Blood Tonic and Antasil brand of antacid. Others are Sans Cream Soda, Dextra Energy Drink, Blackcurrant, Bien Flavoured Water range, MS Cola, Brett Mouthwash, Hexedene and many other products emanating from our research and development laboratory. These products are distributed nation-wide through a network of Medical and Consumer Sales Representatives.

CORPORATE SOCIAL RESPONSIBILITIES



The 5th year anniversary of Alagbara of Agbara; HRM Oba (Barr.) L. Jayeola Abimbola Agunbiade (September 25th, 2021).

PHARMA DEKO PLC Rc.6711
..... Providing Healthy Solutions



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



K. A. Lawson - Non-Executive Director



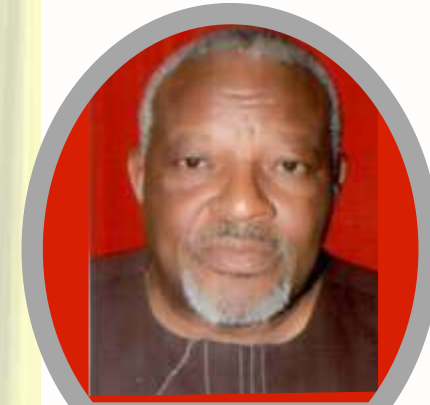
Isola Olukayode - Managing Director



C. C. Chikeluba - Non-Executive Director



E.A. Anaba - Non-Executive Director



G. A. Alegieuno - Non-Executive Director



Prof. H.A.B. Coker - Non-Executive Director



J. O. Anyigbo - Non-Executive Director

MR. FOLARIN R. A. WILLIAMS – CHAIRMAN

Mr. Folarin Williams holds degrees in Chemical Engineering and Law. He graduated with a B.Sc. (Hons.) ACGI in Chemical Engineering from the Imperial College of Science and Technology London University in 1977. He also obtained a Master of Arts (Cantab) Law from Selwyn College Cambridge in 1983 and was called to the Nigerian Bar in 1984. He holds board appointments in a number of companies within the pharmaceutical, information technology, logistics and oil-fields services industrial sectors. He is currently the Managing Partner of Chief Rotimi Williams' Chambers, a full-service Law firm in Nigeria.

MR. OLUKAYODE ISOLA – MANAGING DIRECTOR

Mr. Isola graduated from Obafemi Awolowo University Ile-Ife with a bachelor's degree in Food Science and Technology (1990). He obtained master's in food technology (1992) and Microbiology (1997) from University of Ibadan and Obafemi Awolowo University, respectively.

He began his career as a lecturer at Obafemi Awolowo University between 1995 and 1996 before joining the manufacturing industry in 1997.

He worked in Evans Medical Plc from 1997 to 2005. He joined Pharma-Deko Plc in 2006 as Manufacturing Manager (Contract Manufacturing). He has since held various positions in the company such as Production Manager, Consumer sector and General Manager Operation in charge of spanning, planning, procurement, Logistics and Project Management.

He was appointed the Managing Director of Pharma-Deko Plc in January 2020.

He has attended courses in Manufacturing and Production operations, Logistics and Humans resource management.

MR. GODWINA. ALEGIEUNO – NON EXECUTIVE DIRECTOR

Mr. Alegieuno is a Chartered Accountant and an Insurance Practitioner. He is a fellow of the Chartered Association of Certified Accountants, Institute of Chartered Accountants of Nigeria and Chartered Insurer. He obtained an Ordinary National Diploma (OND) in 1973 and a High National Diploma in 1975 both in Accountancy from the College of Technology, Yaba. He also obtained a Post Graduate Diploma in Finance from the University of Leicester, United Kingdom in 2003. He has vast experience in Commerce, Industry and Insurance. He retired as the Managing Director of Lion of Africa Insurance Company Limited. He joined the Board of Pharma-Deko Plc in 1994.

MR. E.A. ANABA – NON EXECUTIVE DIRECTOR

He holds an MBA (Banking & Finance) from Enugu State University and Advanced Management of International Agreements & Joint Ventures from University of Lagos. He also obtained a B.Sc. (Hons) in Management Studies from University of Calabar. He is a fellow, Chartered Institute of Bankers, Associate, Institute of Capital Market Registrars, Associate, Chartered Institute of Management and Associate, Chartered Certified Accountants (ACCA).

He has worked in both public and private sectors with experience spanning over 20years and has held board appointment in many companies. His experience covers Corporate Finance, Investment Management, Project Finance, Capital Market and Money Market Services. He joined the Board of Directors in 2003 as an alternate director and was subsequently appointed a director in 2018.

CHIEF JOE O. ANYIGBO – NON EXECUTIVE DIRECTOR

Chief Anyigbo is an Engineer and businessman. He has over 30 years extensive experience in all sectors of the Oil and Gas Industry. He is a fellow of Nigerian Society of Chemical Engineers, a member of the Board of Trustees of Nigeria Society of Chemical Engineers and a recipient of National Productivity Order of Merit Award. He retired in 2002 from Chevron Nigeria Limited as a Pioneer Executive Director. Chief Anyigbo graduated with a B.Sc. (Hons.) in Chemical Engineering from





Brett Antiseptic & Antiplaque Mouthwash...



Brett Antiseptic & Antiplaque Mouthwash...

Lafayette College, Pennsylvania, U.S.A. in 1967. He obtained Masters in Science from Carnegie-Mellon University in 1969 and a Masters degree in Business Administration (MBA) from the University of Pittsburgh, U.S.A. 1971. He joined the Board of Directors in 2006.

MR. COLLINS C. CHIKELUBA – NON EXECUTIVE DIRECTOR

Mr. Chikeluba is a Lawyer, businessman and philanthropist with business interest in Nigeria, Europe, America and Asia. He graduated with a B.Sc. (Hons.) in Business Administration (Major in Management Science and Minor in Marketing) from Fontbone University, St. Louis, U.S.A. in 1983. Mr. Chikeluba obtained a Masters degree in Finance from the Webster University, USA in 1984 and a Juris Doctoris from St. Louis University, School of Law, USA in 1987. He was called to the Nigerian Bar in 1988. His business interests span across various sectors of the economy including Transportation, Insurance, Oil and Gas, Banking, Manufacturing and Real Estate. He holds Board appointments in other companies such as SET Plc and Duport-Marine Limited.

PROFESSOR H.A.B. COKER – NON EXECUTIVE DIRECTOR

Professor Herbert A.B. Coker is a Professor of Pharmaceutical Chemistry in the Faculty of Pharmacy, University of Lagos. He joined the then School of Pharmacy on 17th December 1984 as Lecturer 1 and rose through the ranks to the post of Professor in October 1994. Professor Coker teaches Undergraduates and Postgraduate courses and conducts research in Medical Chemistry, Clinical Pharmacology of Drugs, Natural Products Sciences, Drug Design and Development, Pharmaceuticals & Food Quality Assurance, Environmental Concerns and Clinical Pharmacy. Professor Coker has published quite a number of research works and professional opinions, in International (offshore) and National (onshore) Journals. He also renders professional services to the Federal Government of Nigeria and Lagos State Government, as well as to foreign establishments in China, Indonesia, and India. He is a member of numerous professional bodies and possesses about 30 years experience in Pharmacy and health-related matters. Professor Coker had his early education at Ladilak Institute, Yaba (under the watchful eyes of the late Mrs. Rita Akaje-Macaulay; nee Hamitton), Lagos Baptist Academy, Ibadan Grammar School, Ahmadu Bello University, Strathclyde in Glasgow, United Kingdom. He was appointed to the Board of Directors of Pharma-Deko to assist with the Product Quality Assurance Pharmaceutical Technology and New Products Development amongst many other health related issues.

MR. KOLAPO A. LAWSON – NON EXECUTIVE DIRECTOR

Mr. Kolapo Lawson is a Chartered Accountant and business tycoon. He graduated with B.Sc. (Hons.) in Economics from the London School of Economics and Political Science in 1972. He joined the International Accountancy Firm of Coopers and Lybrand, London (now part of PriceWaterHouse Coopers) where he qualified as a Chartered Accountant in 1975. He is a fellow of the Institute of Chartered Accountants (England & Wales) and Nigeria. He is the President of Lawson Corporation and Chairman, Agbara Estates Limited and Chairman of Acorn Petroleum Plc. Mr. Kolapo Lawson was the Chairman of Ecobank Transnational Incorporated and holds Board appointments in many other companies. He joined the Board of Directors in 1993.

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report on the annual report and financial statements of Pharma Deko Plc for the year ended December 31, 2021.

1. Incorporation

The Company was incorporated as a private limited liability company in 1967 as PARKE-DAVIS & CO (NIG.) LTD. In 1980, the Company changed its name to PHARMA DEKO LIMITED, and in pursuance of the Companies and Allied Matters Act 2020, is now known as PHARMA DEKO PLC.

2. Nature of business

The company's principal activities include the manufacturing, packaging and marketing of high quality pharmaceutical and consumer products. The consumer and pharmaceutical products share the same production lines and the company leverages on this to ensure efficiency and effectiveness in its production process. The company also allows the use of its production facilities by third parties.

There have been no material changes to the nature of the company's business from the prior year.

3. Operating results

The result of operations as at the end of the year is as follows:

	2021 N'000	2020 N'000
Revenue	503,548	460,837
Loss before taxation	(68,489)	(324,054)
Taxation	(1,298)	(1,152)
Loss after taxation	(69,787)	(325,206)
Other comprehensive income(net of tax)	391,365	-
Total Comprehensive income/(loss) for the year	321,578	(325,206)

4. Share capital

	2021		2020	
	Number of shares			
Ordinary shares	300,000,000		300,000,000	
	2021	2020	2021	2020
Issued	N. '000	N. '000	Number of shares	
Ordinary shares	108,466	108,466	216,931,596	216,931,596

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividend

No dividend was proposed by the Board of Directors for the 2021 financial year.

6. Directorate

In accordance with Section 385(2) of the Companies and Allied Matters Act (CAMA) 2020, the directors of the company who served during the year, were as follows:

Directors	Designation	Nationality	Changes
Mr. F.R.A. Williams (Jr)- Chairman	Non-executive	Nigeria	
Mr. Isola Olukayode - Managing Director	Executive	Nigeria	Appointed Nov 12, 2020
Chief C.C. Chikeluba	Non-executive	Nigeria	
Mr. K.A. Lawson	Non-executive	Nigeria	
Chief J.O. Anyigbo	Non-executive	Nigeria	
Mr. G.A. Alegieuno	Non-executive	Nigeria	
Prof. Herbert A.B Coker- Independent Director	Non-executive	Nigeria	
Mr. E.A. Anaba	Non-executive	Nigeria	

Mr. G. A Alegieuno, E. A. Anaba and Chief J. O. Anyigbo will retire by rotation from the Board of Directors at the 52nd Annual General Meeting and being eligible have offered themselves for re-election/election.

SALIN'S LINIMENT
100ml

FOR EXTERNAL USE ONLY

For the relief of muscle and joint pain due to arthritis, muscular cramps, stiffness, and spasms of muscles due to muscle exhaustion or fatigue.

Also for the relief of pain due to stiffness, sprains, sprains of muscle and tendons.

Check for date of expiry and instructions on box.

Relieves muscle and JOINTS PAINS

100ML

- For fast relieve of muscular and joint pains.
- Muscular Cramps
- Stiffness of neck, backache and soreness
- Sprains of muscle and tendons.



Antibacterial Mouthwash With Fluoride

ORALMINT® ANTI-BACTERIAL MOUTHWASH, with added fluoride, helps to kill the germs that cause dental plaque, bad breath and gingivitis.

Fluoride is most commonly used to prevent cavities, and to treat tooth plaque, a mild form of gum disease, and weak and brittle bones.

Plot C1/1, Okene Close, Agbara Industrial Estate, Ogun State, Nigeria. Website: www.pharmadekoplc.com

E-mail Address: info@pharmadekoplc.com Customercare Line: 08169622189, 08159060293.



CHANGES ON THE BOARD

Since the conclusion of the last Annual General Meeting, there have been no changes with respect to the Board Members.

7. Directors' interests in shares

As at December 31, 2021, the interest of the Directors in the issued Share Capital of the company as recorded in the register of shareholders and/or as notified by them for the purposes of Section 301 of the Companies and Allied Matters Act (CAMA) 2020 are as follows

Interests in shares

Directors	2021 Direct	2020 Direct	2021 Indirect	2020 Indirect
Mr. F.R.A. Williams (Jr)-Chairman <i>(Indirect holding through United Investment Limited)</i>	15,194,440	15,194,440	57,393,000	57,393,000
Mr. Isola Olukayode - Managing Director	10,000	10,000	-	-
Chief C.C. Chikeluba	23,136,950	23,136,950	-	-
Mr. K.A. Lawson <i>(Indirect holding through Lawson Group & Agbara Estate)</i>	300,000	300,000	3,079,141	3,079,141
Chief J.O. Anyigbo	25,000,000	25,000,000	-	-
Mr. G.A. Alegieuno	500,000	500,000	-	-
Professor Herbert A.B Coker	150,000	150,000	-	-
Mr. E.A. Anaba <i>(Indirect holding through Niger Insurance Plc)</i>	-	-	7,000,000	7,000,100
	64,291,390	64,291,390	67,472,141	67,472,241

8. Director's interest in contracts

During the financial year, a few contracts were entered into which directors or officers of the company had an interest and which affected the business of the company. The transactions were however all conducted at arm's length.

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual report and financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

11. Analysis Of Shareholding

BEGINNING RANGE	ENDING RANGE	TOTAL SHAREHOLDER	% SHAREHOLDER	TOTAL SHAREHOLDING	% OF SHAREHOLDING
1	1,000	2,054	53.53	909,139	0.42
1,001	5,000	1,093	28.49	2,726,562	1.26
5,001	10,000	267	6.96	2,094,664	0.97
10,001	50,000	297	7.74	6,923,821	3.19
50,001	100,000	47	1.22	3,617,296	1.67
100,001	500,000	41	1.07	9,874,799	4.55
500,001	1,000,000	16	0.42	12,230,469	5.64
1,000,001	5,000,000	14	0.36	28,092,596	12.96
5,000,001	10,000,000	3	0.08	22,194,540	10.24
10,000,001	50,000,000	4	0.10	70,762,808	32.64
50,000,001	100,000,000	1	0.03	57,393,000	26.47
		3,837	100	216,819,694	100

12. Substantial Shareholders

According to the Register of Members, the following shareholders of the company held more than 5 percent of the issued share capital of the company on 31st December 2021:

S/N	NAME	ADDRESS	HOLDINGS	%HOLDINGS
1	UNITED INVESTMENT LIMITED	P.O.BOX 3426 LAGOS	57,393,000	26.47
2	CHIKELUBA C.C.	1, ABIMBOLA SHODIPE ST, SURULERE OFF WESTERN AVENUE, LAGOS	23,136,950	10.67
3	ANYIGBO JOSAPHAT OLISAMEZIE	NO 7 FUNSO MARTINS STREET PARKVIEW IKOYI LAGOS	25,000,000	11.53
4	OSAI STEPHEN U.	7 OKUNOLA AINA STREET, OKUPE E MARYLAND, IKEJA, LAGOS	17,520,000	8.08
5	SHORELINE POWER COMPANY LIMITED	46 INDUSTRIAL AVENUE ILUPEJU LAGOS ILUPEJU LAGOS	10,042,520	4.63
6	WILLIAMS FOLARIN ROTIMI ABIOLA	1 A SHAGAMU AVE, ILUPEJU P.O.BOX 3426, LAGOS.	15,194,440	7.01
			48,286,910	68.39

13. Donations and charity gifts

There were donations and /or charitable gifts made during the year 2021.

14. Compliance with the law

The Board ensures that management complied with all the laws relating to the businesses of the company. The Board also ensures that the company co-operates with the relevant Statutory Agencies in the course of carrying out its business. The Directors hereby confirm that the company complied fully with all the requisite regulatory and legal requirements during the financial year.

15. Corporate governance

In Pharma-Deko Plc, our actions and interactions with our consumers, customers, employees, government officials, suppliers, shareholders and other stakeholders reflect our values, beliefs and principles.

Our business is largely self-regulated, and we pride ourselves as leading our peers in the industry and Nigeria in this regard. In addition to self-regulation, we are committed to conducting business in line with best practice, in accordance with applicable laws and regulations in Nigeria, in line with the requirements of the Nigerian Stock Exchange as well as in compliance with the Code of Corporate Governance in Nigeria.

The Company's operations have always been guided by the principles of corporate governance, with the objective of achieving improved corporate performance, whilst enlisting adherence to the highest ethical standards.

The core value of the Company's abiding governance philosophy is integrity in all its operations.

16. Employment of disabled persons

It is the policy of the Company to ensure that there is no discrimination in considering applications for employment including those of physically challenged persons. The policy ensures that disadvantaged persons are afforded, as far as is practicable, identical opportunities with other employees. There was no such physically challenged person employed during the twelve months ended 31st December, 2021.

17. Health and safety at work

It is the policy of the Company to ensure that there is no discrimination in considering applications for employment including those of physically challenged persons. The policy ensures that disadvantaged persons are afforded, as far as is practicable, identical opportunities with other employees. There was no such physically challenged person employed during the twelve months ended 31st December, 2021.

18. Employment policies

The Company places considerable value on the involvement of its employees and maintains an effective communication with all employees who, subject to practical considerations, are consulted on and involved in decisions that affect their current jobs or future prospects. The Company accordingly holds regular staff meetings to discuss the Company's day-to-day operations, business focus and staff welfare issues.

The NEW LOOK of REFRESHMENT

- Sugar-Free
- Tasty
- Non-Alcoholic
- Low Calorie
- Creamy

SANS
CREAM SODA

SUGAR-FREE

- LOW CALORIE
- CREAMY TASTE
- NON ALCOHOLIC

50cl

Keep cool and out of sunlight
Serve chilled

PHARMA DEKO Plc.
...Providing Healthy Solutions

Customer Care lines: 08169622189, 08159060293 Plot C1/1, Okene Close, Agbara Industrial Estate, Agbara, Ogun State
Email Address: info@pharmadekopl.com

Please Afix
Postage Stamp

Apel Capital Registrars Limited
8, Alhaji Bashorun Street,
Off Norman Williams Crescent
South West Ikoyi
Lagos

19. Training and development

Training courses are geared towards the developmental needs of staff and the improvement in their skill sets to face the increasing challenge required for better performance on their jobs. The Company ensures that staff receives continuous on-the-job training.

20. Company's Distributors

S/N	CUSTOMER
1	ADE-STAR PHARMACY LTD.
2	ADEDELOFF FRONTIERS LTD
3	AFE MEGA MEDICAL SERVICES
4	AKEEMCOM & SONS NIG. ENT.
5	ALH USMAN INVESTMENT
6	ALHAJI DALHA GARBA
7	AYI
8	B & Y SAAD VENTURES LIMITED
9	BTEE OMOD ROYAL SERVICES
10	CAREHUB
11	Country Care Pharmacy
12	DEMOL PHARMACY
13	DENTOHOPE-OLUWAYEMISI
14	DIAMOND GATE MULTI SERVICE
15	DIVINE TREASURE FIELD LTD
16	Dynamic Global Zest limited
17	E-MART SUPERMARKET
18	EMMY- ND GLOBAL MULTIVENTURES
19	F.N.O. DRUG CO LTD
20	FAL PHARMACEUTICAL LIMITED
21	FIVE GROUP PHARM. & GEN. ENT LTD.
22	FOBASO NIGERIA ENTERPRISE
23	FOLA OSENI NIG.
24	GONAKO INVESTMENT
25	GOODALL PHARMACY
26	GRAND SQUARE SUPERMARKET
27	GROCERY BAZAAR
28	HARRISIA INVESTMENT LTD
29	HERBTON INTEGRATED
30	JDJ PHARMACY
31	JUSTRITE SUPERMARKET
32	Krisphima Pharmacy
33	KUKAMEDICALS
34	LAMCARE PHARMACY
35	LATNAS PHARMACEUTICAL NIG LTD
36	LISDAN GLOBAL RESOURCES
37	LORIMED PHARMACY COMPANY LIMITED
38	LOYFIELD INTERLINK
39	LUNICE INDUSTRIES LTD
40	Mahabub kassim
41	MAZEC LINK INT'L LTD.
42	MEBLINK PHARMACY LTD
43	MICKEY JO VENTURES NIG LTD
44	NGOPAT OPTMUM SERVICES
45	NIKKY STORES
46	OKOBIZ VENTURES LTD
47	OKWYTEX INT'L CONCEPT LTD

- 48 OLIVE HEIGHT PHARMACY
- 49 OSCCARMORE UNIVERSAL SERVICE
- 50 PAZOME DRUG CO. LTD
- 51 PHARMACARE SUPPORT SERVICE LTD
- 52 PRESTIGE SUPERMARKET
- 53 PRICEPOINTE WHOLESALE CLUB
- 54 PRINCE OKWERRE GLOBAL
- 55 RAJI RAHMAH NIG. ENTERPRISES
- 56 RAY CHOICE INVESTMENT
- 57 RENO SUPERSTORES
- 58 RON-LOLL VENTURES
- 59 SAMBETHER SUPERSORES
- 60 SANTUS PHARMACY
- 61 SC. OKONKWO
- 62 SKOB GLOBAL INVESTMENT
- 63 SPRINGSEAMARINE ENERGY LTD.
- 64 STEPHRADO PHARMACY LIMITED
- 65 SUCCESS PHARMACY
- 66 SUFAYE .SAHMED ENT.
- 67 TANIMOLA PHARMACY STORES.
- 68 TANIMOLA STORES
- 69 TELSI HUB PMS
- 70 TRIPPLE G NUGWA
- 71 WORLD WIDE COMMERCIAL VENTURES LTD.
- 72 YINOLU PHARMACITICAL
- 73 ZYLEM PHARMACEUTICAL LTD

21. Suppliers

The Company's main overseas suppliers are:

- 1. HAUTEK INDUSTRIES CO. LTD
- 2. NANJING UNION PACK IMPORT & EXPORT CO. LTD
- 3. TRADENIGER IMPEX PVT LTD
- 4. YORK-JOHNSON CONTROL COMPANY
- 5. ZHANGJIAGANG MACHINE CO. LTD
- 6. DOHLER
- 7. FIRMENICH

The main Local Suppliers are:

- 1. SAGAR OVERSEAS LTD
- 2. MULTIBASE PHARMA IND.'
- 3. ABVEE INDUSTRIES LTD
- 4. NAGODE IND. LTD
- 5. PRIMA CORPORATION LTD
- 6. SKYLIT TECH LTD
- 7. PASSMARK COMMUNICATION
- 8. GEETA PLASTIC PROD. NIG. LTD
- 9. BMS INTERN RESOURCES LTD
- 10. BOC GASES NIGERIA PLC
- 11. SHONGAI PACKAGING INDUSTRIES LTD
- 12. DANGOTE SUGAR REFINERY PLC
- 13. QUORUM PACKAGING LTD
- 14. CHRISJO INVESTMENT
- 15. ORIENT GLOBAL MANUFACTRIING CO. LTD
- 16. ROTOPRINT LIMITED

We would like to introduce to our members/shareholders the electronic delivery of corporate information such as annual reports, financial statements and proxy form. This is in line with modern developments in electronic communications and is geared towards circumventing late receipt of corporate information. Members may elect to this service, as an alternative to receiving paper copies of corporate information and materials. Members can elect to receive an electronic copy of Company's information via email or to receive such corporate information through a compact disc sent by post.

In the event that a member elects to use this service, Pharma-Deko Plc will take all necessary steps to ensure that our members' information within our control is not used for wrongful or illegal purposes.

To take advantage of this service, kindly complete the authority to electronically receive information attached below and return to The Company Secretary at 1, Shagamu Avenue, Ilupeju, Lagos or our Registrars at 8, Alhaji Balogun Street, Off Norman Williams Crescent, South/West Ikoyi, Lagos.



ELVIS E. ASIA
FOR: UNITY TRUSTEES LIMITED
COMPANY SECRETARY
1, Shagamu Avenue, Ilupeju, Lagos

I/We being a member / members of Pharma-Deko Plc hereby authorize(s) the Company to send me /us and hereby agree to receive all future corporate information of the Company electronically.

Signature:

E-mail(s):

CSCS Clearing House Number (CHN):

Postal Address.....

Telephone Number.....

Date.....

Apel Capital Registrars Limited
8, Alhaji Bashorun Street,
Off Norman Williams Crescent
South West Ikoyi
Lagos

Please Afix
Postage Stamp

17. MMTA
18. FIYIOQUE VENTURES LTD
19. WAHUM PACKAGING LIMITED

22. Board Of Directors

The Board is responsible for the oversight of the business, long-term strategy and objectives, and the oversight of the Company's risks while evaluating and directing implementation of Company controls and procedures including maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. There are currently four (4) regularly scheduled Board meetings during each financial year.

23. Composition of the Board of Directors and Procedure for Board Appointments

The Board currently consists of the Chairman, 6 Non-Executive Directors and 1 Executive Director. All Directors are selected based on certain core competencies including experience in marketing, general operations, strategy, law, human resources, technology, media or public relations, finance or accounting, retail, consumer products, international business/markets, logistics, product design, merchandising or experience as a Managing Director or Finance Director. In addition to having one or more of these core competencies, candidates for appointment as Directors are identified and considered based on knowledge, experience, integrity, diversity, leadership, reputation, and ability to understand the Company's business.

24. Separation of the positions of Chairman and Managing Director

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

25. Schedule of Matters Reserved for the Board

The following are the matters reserved for the Board of Directors of the Company:

i. Strategy and management

- Input into the development of the long-term objectives and overall commercial strategy for the Company.
- Oversight of the Company's operations.
- Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- Extension of the Company's activities into new business or geographic areas.
- Any decision to cease to operate all or any material part of the Company's business.

ii. Structure and capital

- Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- Major changes to the Company's corporate structure.
- Changes to the Company's management and control structure.
- Any changes to the Company's listing or its status as a publicly listed company.

iii. Financial reporting and controls

- Approval of preliminary announcements of interim and final results.
- Approval of the annual report and accounts, including the corporate governance statement.
- Approval of the dividend policy.
- Declaration of the interim dividend and recommendation of the final dividend.
- Approval of any significant changes in accounting policies or practices.
- Approval of treasury policies including foreign currency exposure.

iv. Internal controls

Ensuring maintenance of a sound system of internal control and risk management including:

- Receiving reports from the Finance and Risk Committee and reviewing the effectiveness of the Company's risk and control processes to support its strategy and objectives.
- Undertaking an annual assessment of these processes through the Finance and Risk Committee; and
- Approving an appropriate statement for inclusion in the annual report.

v. Contracts

- Major capital projects.
- Contracts which are material strategically or by reason of size, entered by the Company in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets of amounts above the threshold reserved for Executive Directors.
- Contracts of the Company (or any subsidiary) not in the ordinary course of business, for example loans and repayments; foreign currency transactions and major acquisitions or disposals of amounts above the thresholds reserved for Executive Directors under the Schedule of Authorities and Limits.
- Major investments including the acquisition or disposal of interests of more than five (5) percent in the voting shares of any company or the making of any takeover offer.

vi. Communication

- Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
- Approval of press releases concerning matters decided by the Board.

vii. Board membership and other appointments

- Changes to the structure, size and composition of the Board, following recommendations from the Remuneration Committee.
- Ensuring adequate succession planning for the Board and senior management following recommendations from the Remuneration Committee.
- Appointments to the Board, following recommendations by the Remuneration Committee.
- Approval of appointment of the Chairman of the Board following recommendations by the Remuneration Committee.
- Appointment of Non-executive Directors including Independent Directors following recommendations by the Remuneration Committee.
- Membership and Chairmanship of Board Committees.
- Continuation in office of Directors at the end of their term of office when they are due to be reelected by shareholders at the Annual General Meeting and otherwise as appropriate.
- Continuation in office of Non-executive Directors at any time.
- Appointment or removal of the Company Secretary following recommendations by the Remuneration Committee.
- Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Finance and Risk Committee.
- Appointments to Board of subsidiaries.

viii. Remuneration

- Approval of the remuneration policy for the Directors, Company Secretary and other senior executives following recommendations by the Remuneration Committee.
- Approval of the remuneration of the Non-executive Directors, subject to the Articles of Association and shareholder approval as appropriate following recommendations by the Remuneration Committee.
- The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval following recommendations by the Remuneration Committee.

ix. Delegation of authority



SHAREHOLDER INFORMATION UPDATE

Dear Sir,

Kindly update my information with the below:

FULL NAME

CONTACT ADDRESS

EMAIL ADDRESS (ES)

MOBILE NUMBERS

COMPLAINT/SUGGESTION

Thank you,

Yours faithfully,

Shareholder's signature /Date

Joint Shareholder's signature/Date
(if corporate)



Kindly return the duly completed form to:

TICK	NAME OF COMPANY	SHAREHOLDER'S
	AIIICO BALANCED FUND	
	ANINO INT'L PLC	
	ARBICO PLC	
	CHAPEL HILL DENHAM MONEY MARKET FUND	
	CITITRUST FINANCIAL SERVICES PLC	
	INTERLINKED TECHNOLOGIES PLC	
	INTERNATIONAL BREWERIES PLC	
	KSIP FUNDING SPV LIMITED	
	LAGOS COMMODITIES & FUTURE EXCHANGE	
	LASACO ASSURANCE PLC	
	LEAD UNIT TRUST SCHEME	
	MASS TELECOM INNOVATION PLC	
	METAL SECURITY PRODUCTS LTD	
	MUTUAL BENEFITS ASSURANCE PLC	
	MUTUAL TRUST MICROFINANCE BANK LTD	
	NCR (NIGERIA) PLC	
	NEM INSURANCE PLC	
	PARAMOUNT EQUITY FUND	
✓	PHARMA DEKO PLC	
	THE INITIATES PLC	

Email: registrars@apel.com.ng
W: apel.com.ng

Tel: +234 (1) 293 2121
+234 (0) 704 612 6698

Address : 8, Alhaji Bashorun Street,
Off Norman Williams Crescent,
S.W. Ikoyi Lagos

Please Afix
Postage Stamp

Apel Capital Registrars Limited
8, Alhaji Bashorun Street,
Off Norman Williams Crescent
South West Ikoyi
Lagos

- The division of responsibilities between the Chairman and the Chief Executive Officer, which should be in writing.
- Approval of terms of reference of Board Committees.
- Receiving reports from Board Committees on their activities.

x. Corporate Governance matters

- Undertaking a formal and rigorous review of its own performance, that of its Committees and individual Directors.
- Determining the independence of Directors.
- Considering the balance of interests between shareholders, employees, customers and the community.
- Review of the Company's overall corporate governance arrangements.
- Receiving reports on the views of the Company's shareholders.

26. Induction and Training

The Company has in place a formal induction program for newly appointed Directors. As part of this induction, each new Director is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about the Company's business and familiar with the senior management team. Newly appointed Directors are also conducted round the production facilities of the Company to gain first-hand knowledge of the production process and the emphasis placed on health and safety by the Company.

The Remuneration Committee oversees evolving a continuing education programme to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the programme, Directors are encouraged to periodically attend appropriate continuing education seminars or programmes which would be beneficial to the Company and the Directors' service on the Board.

27. Performance Evaluation process

The Remuneration Committee oversees a formal evaluation process to assess the composition and performance of the Board, each Committee, and each individual director on an annual basis. The assessment is conducted to ensure the Board, Committees, and individual members are effective and productive and to identify opportunities for improvement and skill set needs.

As part of the process, each member completes a detailed and thorough questionnaire, and each member also participates in an oral interview/conversation session as a follow up to the completion of the questionnaires. The results are aggregated and summarized for discussion purposes; however, individual responses are not attributed to any member and are kept confidential to ensure honest and candid feedback is received. The Remuneration Committee reports annually to the full Board with result of the evaluation exercise. Directors will not be nominated for re-election unless it is affirmatively determined that the Director is substantially contributing to the overall effectiveness of the Board.

A summary of the 2019 Board Performance Evaluation is that the Board is composed of highly experienced individuals with diverse backgrounds and the Board is effectively and efficiently discharging its oversight functions of the Company's business strategy/plan as well as its other responsibilities. The evaluation also confirmed that the Directors are very committed to the business of the Company. It was however noted that there is room for improvement in the area of continuous director development. The recommendations of the performance evaluation have been considered by the Board and are being implemented as deemed necessary.

28. Attendance at Board Meetings

REPORT OF THE DIRECTORS CONT'D

The Board held five (5) meetings during the 2021 financial year. The following table shows the membership and attendance of Directors at Board meetings during the 2021 financial year:

S/N	Directors	25/3/2021	3/6/2021	27/7/2021	26/10/2021	14/12/2021	Total no of Meetings attended
1	Mr. F.R.A. Williams	P	P	P	P	P	5
2	Mr. O.O. Isola	P	P	P	P	P	5
3	Mr. G.A. Alegieuno	P	P	P	P	P	5
4	Mr. E.A. Anaba	P	P	P	P	P	5
5	Chief J. Anyigbo	P	P	P	P	P	5
6	Chief C.C. Chikeluba	P	P	P	P	P	5
7	Prof. H.A. B. Coker	P	P	P	P	P	5
8	Mr. K. Lawson	P	P	AWA	AWA	P	3
P – Present		AWA – Absent with Apology		N/A – Not Applicable			

29. Board Committees

As at the date of this report, the Company has in place, the following Board Committees: Remuneration and Human Resources Board Committee, Finance and General-Purpose Board Committee, Science and Technology Board Committee and Risk Management Committee. The following table shows the membership and attendance of Directors at Board Committee meetings during the 2021 financial year:

a. Finance and General Purpose Board Committee Meetings:

S/N	Directors	11/11/2021	2/12/2021	Total No of Meetings Attended	
1	Mr. F.R.A. Williams	P	P	2	
2	Mr. O.O. Isola	P	P	2	
3	Mr. G.A. Alegieuno	P	P	2	
4	Chief C.C. Chikeluba	P	P	2	
P – Present		AWA – Absent with Apology		N/A – Not Applicable	

b. Science and Technology Board Committee Meetings:

S/N	Directors	21/5/2021	21/10/2021	3/12/2021	Total No of Meetings Attended
1	Mr. F.R.A. Williams	P	P	P	3
2	Mr. O.O. Isola	P	P	P	3
3	Prof. H.A. B. Coker	P	P	P	3
P – Present		AWA – Absent with Apology		N/A – Not Applicable	

Each of the Committee's meetings were attended by the Managing Director, Chief Finance Officer and the Company's Solicitors, when the need arises. Other senior management members are invited to brief the Committee on agenda items related to their areas of responsibilities.

The Board was kept updated and informed at its regular quarterly meetings of the activities of the Committees through the Reports of the meetings of the Committee and verbal updates provided to the Board by the Chairman of the Committee which is included as a regular item on the agenda of Board meetings.

30. Audit Committee


The Company has a Statutory Audit Committee set up in accordance with the provisions of the Companies and Allied Matters Act. It comprises of a mixture of Non-Executive Directors and ordinary shareholders elected at the Annual General Meeting. It evaluates annually the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and reviews with management and the external auditors the annual audited financial

E-DIVIDEND MANDATE ACTIVATION FORM

Affix
Current
Passport

(To be stamped by Bank)

Write your name at the back of
your passport photograph



E-DIVIDEND MANDATE ACTIVATION FORM

Instruction Only Clearing Banks are acceptable

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

The Registrar:
Apel Capital & Trust Ltd.
8, Alhaji Bashorun Street
Off Norman Williams Str, S.W. Ikoyi Lagos.

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

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name First Name Other Names

Address:

City State Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (if applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHAREHOLDER'S ACNO
<input type="checkbox"/>	AICO BALANCED FUND	
<input type="checkbox"/>	AMIMO INT'L PLC	
<input type="checkbox"/>	ARICO PLC	
<input type="checkbox"/>	CHAPEL HILL DENHAM MONEY MARKET FUND	
<input type="checkbox"/>	CITRUST FINANCIAL SERVICES PLC	
<input type="checkbox"/>	EUNISEL INTERLINKED PLC	
<input type="checkbox"/>	INTERNATIONAL BREWERIES PLC	
<input type="checkbox"/>	KSIP FUNDING SPV LIMITED	
<input type="checkbox"/>	KSIP FUNDING SPV LIMITED SERIES 2	
<input type="checkbox"/>	LAGOS COMMODITIES & FUTURE EXCHANGE	
<input type="checkbox"/>	LASACO ASSURANCE PLC	
<input type="checkbox"/>	LEAD UNIT TRUST SCHEME	
<input type="checkbox"/>	MASS TELECOM INNOVATION PLC	
<input type="checkbox"/>	MANZ SPV LTD	
<input type="checkbox"/>	METAL SECURITY PRODUCTS LTD	
<input type="checkbox"/>	MUTUAL BENEFITS ASSURANCE PLC	
<input type="checkbox"/>	MUTUAL TRUST MICROFINANCE BANK LTD	
<input type="checkbox"/>	NCR (NIGERIA) PLC	
<input type="checkbox"/>	NEM INSURANCE PLC	
<input type="checkbox"/>	OGC FOODS & BEVERAGES LIMITED	
<input type="checkbox"/>	PARAMOUNT EQUITY FUND	
<input checked="" type="checkbox"/>	PHARMA DEKO PLC	
<input type="checkbox"/>	THE INITIATES PLC	

Email: registrars@apel.ng

W: www.apel.com.ng

Tel: +234 (1) 293 2121

+234 (0) 704 612 6698

Address: 8, Alhaji Bashorun Street,
Off Norman Williams Crescent,
S.W. Ikoyi Lagos

Please Afix
Postage Stamp

Apel Capital Registrars Limited
8, Alhaji Bashorun Street,
Off Norman Williams Crescent
South West Ikoyi
Lagos

statements before its submission to the Board.

During the year, the Committee approved the audit plan and scope of the external auditors for the financial year and reviewed quarterly and half yearly financial results before presentation to the Board. The Committee also reviewed the critical accounting policies, judgments and estimates applied in the preparation of the financial statements.

The Committee also received reports from management on the accounting system and internal controls framework of the Company. Similarly, the Committee reviewed reports on key risks affecting the Company's operations, the related controls and assurance processes designed to manage and mitigate such risks. This is in addition to receiving regular updates on the Company's controls and governance environment.

The Committee considered the proposed audit fee structure for the 2021 financial year and made appropriate recommendations to the Board.

The members of the statutory Audit Committee during the 2021 financial year are as follows:

Mr. K.A. Saka, Mr. O.S. Olugbemi, Mr. A.A. Aworeni (elected on 12th November 2020), Chief C.C. Chikeluba, Mr. G.A. Alegieuno and Mr. E.A. Anaba.

The Committee met six (6) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

S/N	NAME OF MEMBERS	19/3/2021	16/4/2021	19/5/2021	22/7/2021	20/10/2021	29/12/2021	TOTAL NO OF MEETINGS ATTENDED
1.	Mr K.A. Saka	P	P	P	P	P	P	6
2.	Mr. O.S. Olugbemi	P	P	P	P	P	P	6
3.	Mr. A.A. Aworeni	P	P	P	P	P	P	6
4.	Chief C.C. Chikeluba	P	P	P	P	P	P	6
5.	Mr. G.A. Alegieuno	P	P	P	P	P	P	6
6.	Mr. E.A. Anaba	P	P	P	P	P	P	6

P – Present | AWA – Absent with Apology | N/A – Not Applicable

Senior management members are invited to brief the Committee on agenda items related to their areas of responsibilities. The engagement partner of the external auditor, SIAO was also present with other key members of his team, whenever the need arises.

31. Code of Business Conduct and Code of Governance for Directors

As a member of the society in which we operate, we are not just interested in being the best performing consumer/pharmaceutical products Company, we are equally committed to our ambition to become the most trusted and respected business in Nigeria. During the past year, the economic and commercial environment we have operated in has been very volatile. It is in times like this that compliance and ethics grow ever more important as people want to trust the Company behind the brands they love.

The Company has a Code of Business Conduct (CoBC) which is based on our purpose and values as an organisation. At the heart of our Code is a culture of "Acting with Personal Integrity" at all times as we engage with internal and external stakeholders. The Code is applicable to all employees, Directors and business partners of the Company. Our Code covers salient topics which include health, safety and personal security, bribery and corruption, responsible drinking, money laundering, discrimination and human rights, information management and security, quality, insider trading, conflict of interest, competition, data privacy, relationships with customers, suppliers and other business partners, external communications and social media amongst others.

We apply the principles of fairness, integrity and transparency in all our business dealings as entrenched in our CoBC and in line with international best practices. Training and communication programmes as well as compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and comply with the provisions of our Code and policies.

We also seek to create a culture in which employees feel comfortable raising concerns about potential breaches of our Code or policies. We create an enabling atmosphere and expect anyone who comes across

a breach to report it immediately, either through our confidential whistle blowing helpline Speak Up, to their Line Manager, to a member of the Controls, Compliance & Ethics team, the Human Resources or Legal team. All allegations are taken seriously and those that require action are investigated. Our response to proven breaches varies commensurately with the severity of the matter, and we monitor breaches to identify trends or common areas where further action may be required.

32. Statement of Company's Risk Management Policies and Practices

The Board of Directors has the responsibility of ensuring the maintenance of a sound system of internal control and Risk management which it does through its Finance and Human Resources Committee and Risk Management Committee. In compliance with the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission in 2011, Management provided assurance to the Board during the financial year that the risk management control and compliance systems in Pharma-Deko Plc are operating efficiently and effectively.

On an annual basis, we undertake a holistic risk assessment to identify top internal and external existing or emerging risks which are thereafter ranked based on their likelihood of occurrence and their impact to the business. These risks are assigned to owners who are then tasked with ensuring that robust risk mitigation plans are in place to mitigate these risks.

33. Employment Policies

The Company places considerable value on the involvement of its employees and maintains an effective communication with all employees who, subject to practical considerations, are consulted on and involved in decisions that affect their current jobs or prospects. The Company accordingly holds regular staff meetings to discuss the Company's day-to-day operations, business focus and staff welfare issues.

34. Complaints Management Policy

- To establish and maintain complaints management framework in compliance with rules relating to complaints management framework of the Nigeria Capital Market.
- To establish and maintain open easy accessible window to enable all stakeholders and members of the public present or lodge complaints concerning the company's operations, business activities, management, administration and public relation.
- To take all necessary measures in full compliance with the provisions of the code of good corporate governance for public quoted company in particular and organizations in general.
- To carry out the Complaints Management policy of the company as summarized above under complaints management policy.

35. Managers' Remuneration

Pursuant to section 257 of the Companies and Allied Matters Act, (CAMA)CAP C20 LFN 2020 the remunerations of the managers .

36. Training & Development

Training courses are geared towards the developmental needs of staff and the improvement in their skill sets to face the increasing challenge required for better performance on their jobs. The Company ensures that staff receives continuous on-the-job training.

37. Auditors

The auditors, SIAO (Chartered Accountants), having indicated their willingness, will continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020.

38. Secretary

The company secretary is Unity Trustees Limited. The annual report and financial statements set out on pages 30 to 63, which have been prepared on the going concern basis, were approved by the board of directors on 24, March 2022, and were signed on its behalf.

By Order of the Board



Asia Elvis Evbaruovbokhanre
 FRC/2016/NBA/0000004224
 Unity Trustees Limited (Company Secretary)
 1, Shagamu Avenue Ilupeju, Lagos.

SHAREHOLDERS' PROXY FORM

52nd ANNUAL GENERAL MEETING to be held at Palmgrove House, No. 1, Shagamu Avenue, Ilupeju, Lagos State on Thursday, 2 June 2022 at 12 noon

I/We *
 (Name of Shareholder(s) in Block Letters)
 Being a member of Pharma-Deko Plc hereby appoint ** or failing him/her the Chairman of the meeting as my/our proxy to act and vote on my/our behalf at the Annual General Meeting of the company to be held on 2022 and at any adjournment thereof.

Dated this day of, 2022.

Shareholder's Signature

Number of Shares Held:

S/N	RESOLUTION	FOR	AGAINST
1.	To receive the audited Financial Statements for the year ended 31st December 2021, together with the report of the Directors and Auditors thereon.		
2.	To re-elect the following Directors who retire by rotation:		
a.	Chief J.O. Anyigbo		
b.	Mr. E. A. Anaba		
c.	Mr. G.A. Aleguieuno		
3.	To re-appoint the Firm of SIAO (Chartered Accountants as Auditors		
4.	To authorize the Directors to fix the remuneration of the Auditors.		
5.	To elect members of the Audit Committee.		
6.	To disclose the remuneration of Managers of the Company		

Please indicate with an 'x' in the appropriate box how you wish your vote to be cast on the resolution set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

NOTES

A member who is unable to attend and vote at the 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 LETTERS in the space marked *
- (B) Write the name of your proxy where marked ** and ensure that the form is signed by you and/or any other shareholder (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 the behalf.
- (D) To be valid, the executed proxy form should be stamped by the Commissioner of Stamp duties and must be deposited at the office of the Company Secretary no less than 48 hours before the meeting.

Provision has been made on this form for Mr. Matthew Akinlade or failing him, Evangelist Anthony Omojola or failing him, Samiat Odunuga or failing her, Mr. Ariyo Olugbosun or failing him, Mrs. Bisi Bakare, Chief Timothy Adeshiyan to act as your proxy, who will attend the meeting and vote on your behalf at the meeting.



BRETT OF FRESH AIR

Brett contains Thymol, the antiseptic that combats dental plaque and the residual smell of spicy foods, alcohol and tobacco. It destroys bacteria that causes plaque build-up and bad breath. BRETT is able to reach into areas of the mouth not accessible to the toothbrush.



Customer Care lines: 08169622189, 08159060293 Plot C1/1, Okene Close, Agbara Industrial Estate, Agbara, Ogun State
 Email Address: info@pharmadekoplc.com

The directors are required in terms of the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council Of Nigeria Act 2011, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The directors have reviewed the company's cash flow forecast for the year to December 31, 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 26 to 29.

The financial statements set out on pages 30 to 63, which have been prepared on the going concern basis, were approved by the board of directors on 24, March 2022 and were signed on their behalf as indicated below:

Signed on behalf of the Board of Directors By:


 Mr. Isola Olukayode - Managing Director
 FRC/2021/003/00000022466.


 Mr. G. A. Alegieuro - Director
 FRC/2014/ICAN/00000007613

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

On behalf of the Directors, we the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2021 that:

We have reviewed the report;

To the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company is made known to all officers during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

We have disclosed to the auditors of the Company and Audit Committee:

- all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Signed on behalf of the Board of Directors on 24, March 2022 by:

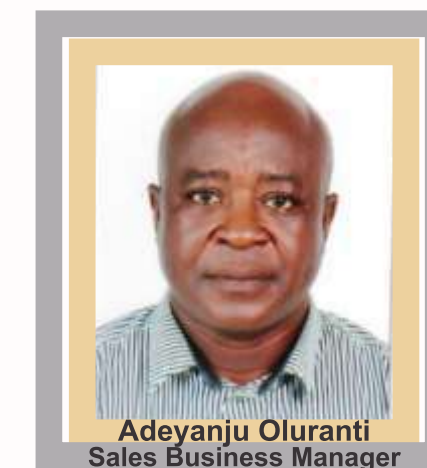
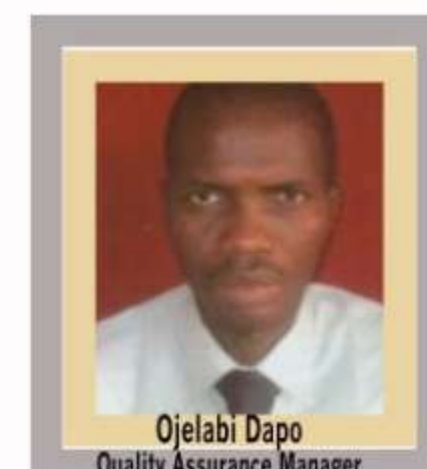
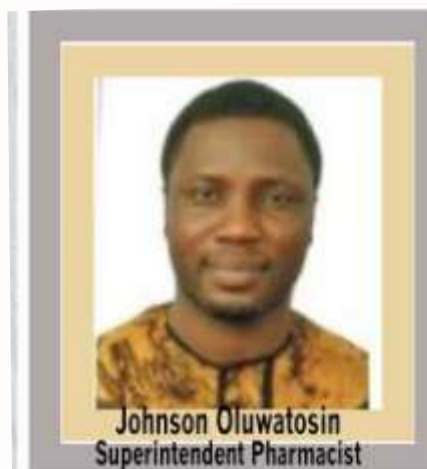
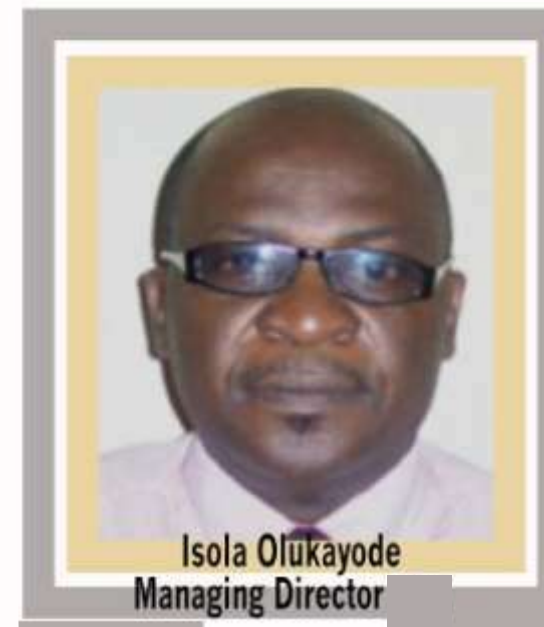


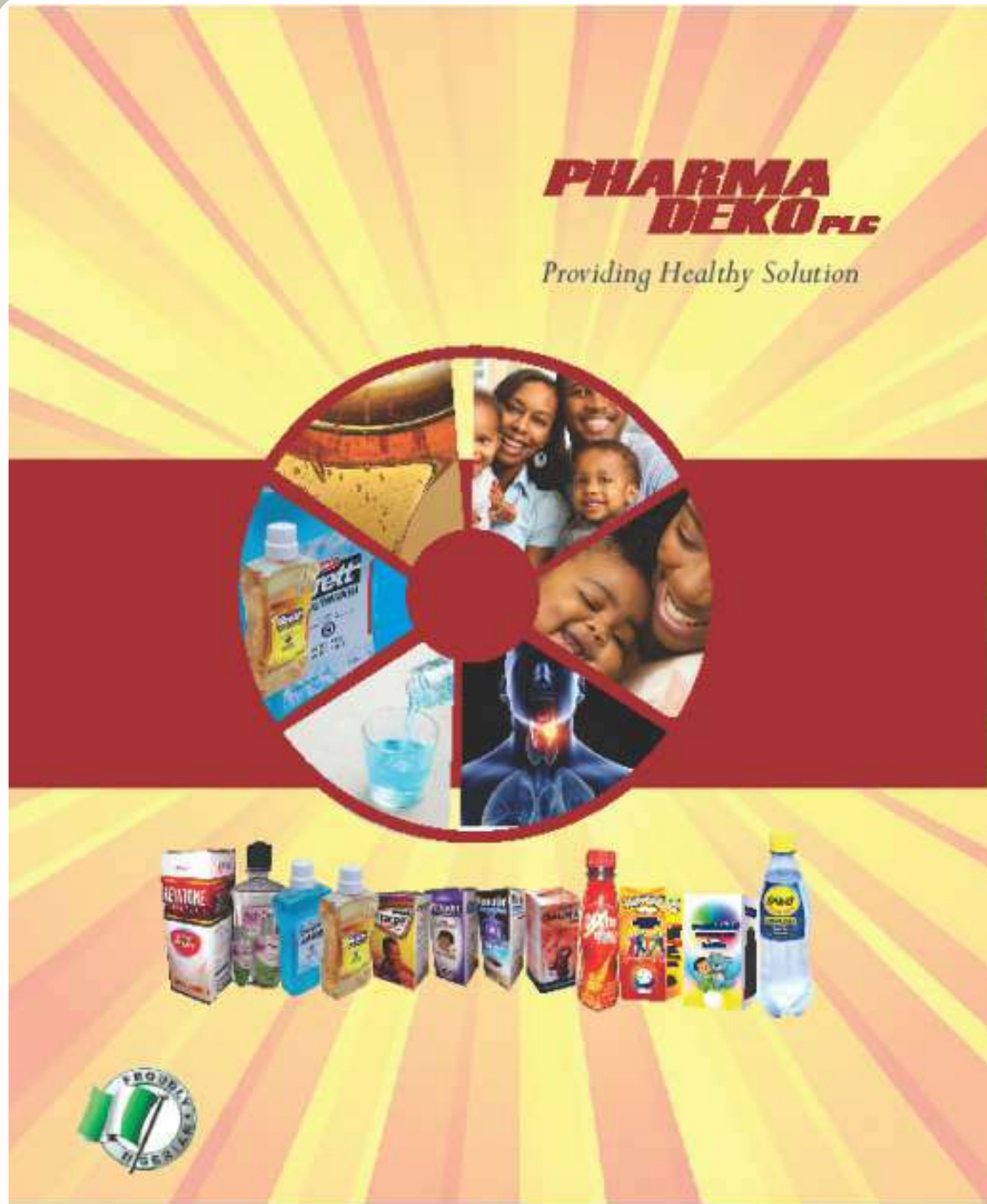
Mr. Isola Olukayode - Managing Director
FRC/2021/003/00000022466



G. A. Alegbeuno - Director
FRC/2014/ICAN/00000007613

MANAGEMENT TEAM





Customer Care Lines: 08169622189, 08159060293, 08034471390
 Plot C1/1, Okene Close, Agbara Industrial Estate, Agbara, Ogun State.
 Website: www.pharmadekopic.com, E-mail Address: customer-care@pharmadekopic.com

In accordance with the provisions of Section 404(4) of the Companies and Allied Matters Act (CAMA) 2020 we confirm that we have reviewed the audit plan and scope, and the Management Letter on the audit of the accounts of the company and the responses to the said Letter.

In our opinion, the plan and scope of the audit for the year ended 31 December, 2021 were adequate. We have reviewed the External Auditors' findings and we are satisfied with the Management responses thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with the legal requirements and ethical practices.

Dated this 24, March 2022.

Alhaji K. A. Saka
FRC/2015/NIM/00000011491
Chairman Audit Committee

Members
Alhaji. K. A. Saka - Chairman
Chief C. C. Chikeluba
Mr. E. A. Anaba
Mr. G. A. Alegieuno
Mr. S. O. Olugbemi
Mr. A. A. Aworeni



Independent Auditors' Report

To the shareholders of Pharma Deko Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pharma Deko Plc set out on pages 14 to 45, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the financial statements present fairly, in all material respects, the financial position of Pharma Deko Plc as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act (CAMA 2020).

Basis for opinion

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

Key audit matters

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

Key Audit Matters

Valuation of items of PPE excluding Land & Building

Reference to note 3 in the annual report and financial statements

Items of PPE (excluding land & building) located at Agbara Estate in Ogun State was professionally re-valued by a firm of Estate Surveyors and Valuers at ₦553million on the basis of open market value between a willing seller and buyer with recourse to Depreciated Replacement Cost Approach. The carrying value of the revalued items of PPE (excluding land & building) as at December 31, 2021 was ₦400million. The revaluation resulted in a revaluation surplus of ₦153million. These conclusions are subject to contingent and limiting conditions and assumptions, and dependent upon significant judgement including:

Lagos: 18b, Olu Holloway Road, Ikoyi, Lagos.
Tel: +234 8021810043

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
Email: enquiries@siao.ng.com
Website: www.siao-ng.com

How our audit addressed the key Audit Matters

Our procedures in relation to the value placed on these plants and machinery included:

- Assessing the methodologies used by the external valuer to establish the market value.
- Evaluating the independent external valuer's competence, capabilities and objectivity;
- Checking the accuracy and relevance of the input data provided by management to the external valuer;
- Considering the potential impact of reasonably possible downside changes in the key assumptions.

Based on available information, we found the value

	2021 N. '000	2020 N. '000	2019 N. '000	2018 N. '000	2017 N. '000
Statement of Financial Position					
Assets					
Non-current assets	2,056,472	1,663,711	1,733,933	1,812,288	1,736,358
Current assets	278,849	353,345	463,469	510,849	534,236
Total assets	2,335,321	2,017,056	2,197,402	2,323,137	2,270,594
Liabilities					
Non-current liabilities	61,556	18,071	246,887	186,991	100,067
Current liabilities	965,917	1,012,719	639,042	545,790	427,991
Total liabilities	1,027,473	1,030,790	885,929	732,781	528,058
Equity					
Share capital	488,475	488,475	488,475	488,475	488,475
Revaluation reserve	1,756,588	1,365,223	1,365,223	1,365,223	1,241,432
Retained income	(937,215)	(867,432)	(542,225)	(263,342)	12,629
Total equity	1,307,848	986,266	1,311,473	1,590,356	1,742,536
Total equity and liabilities	2,335,321	2,017,056	2,197,402	2,323,137	2,270,594
Financed by:					
Share capital	488,475	488,475	488,475	488,475	488,475
Revaluation reserve	1,756,588	1,365,223	1,365,223	1,365,223	1,241,432
Retained income	(937,215)	(867,432)	(542,225)	(263,342)	12,629
Total equity	1,307,848	986,266	1,311,473	1,590,356	1,742,536
Total equity and liabilities	2,335,321	2,017,056	2,197,402	2,323,137	2,270,594
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	503,548	460,837	484,574	1,023,806	1,481,964
Cost of sales	(410,193)	(404,963)	(312,617)	(622,439)	(769,751)
Gross profit	93,355	55,874	171,957	401,367	712,213
Other operating income	61,438	4,556	90,668	11,223	885,443
Other operating gains (losses)	-	30	764	7	756
Other operating expenses	(220,449)	(382,302)	(532,397)	(667,642)	(1,311,458)
Operating (loss) profit	(65,656)	(321,842)	(269,008)	(255,045)	286,954
Finance costs	(2,833)	(2,212)	(7,451)	(938)	-
Derecognition of loan liability	-	-	-	-	-
(Loss) profit before taxation	(68,489)	(324,054)	(276,459)	(255,983)	286,954
Taxation	(1,298)	(1,152)	(2,423)	(9,277)	(42,410)
(Loss) profit from continued operations	(69,787)	(325,206)	(278,882)	(265,260)	244,544
(Loss) profit for the year	(69,787)	(325,206)	(278,882)	(265,260)	244,544
Retained (loss) income for the year	(69,787)	(325,206)	(278,882)	(265,260)	244,544
Statement of Cash Flows					
Cash flow from operating activities	(43,477)	104,592	2,712	(49,978)	137,240
Cash flow from investing activities	(25,841)	(713)	(76,870)	(76,885)	(209,558)
Cash flow from financing activities	(336)	(1,664)	(35,000)	39,159	(60,847)
Cash movement for the year	(69,654)	102,215	(109,158)	(87,704)	(133,165)

Value Added Statement

“Value added” is the measure of wealth the company has created in its operations by “adding value” to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

Value Added

Value added by operating activities

	2021 N. '000	2021 %	2020 N. '000	2020 %
Revenue	503,548		460,837	
Bought - in materials and services	(492,450)		(552,098)	
Other operating income	61,438		4,556	
Other operating gains (losses)	-		30	
	72,536	100	(86,675)	100

Value Distributed

To Pay Employees

Salaries, wages, medical and other benefits (including directors)	136,108		229,613	
	136,108	188	229,613	(265)

To Pay Providers of Capital

Finance costs	2,833		2,212	
	2,833	4	2,212	(3)

To Pay Government

Income tax	1,298		1,152	
	1,298	2	1,152	(1)

To be retained in the business for expansion and future wealth creation:

Value reinvested

Depreciation and amortisation	2,084		5,554	
	2,084	3	5,554	(6)

Value retained

Retained loss	(69,787)		(325,206)	
	(69,787)	(96)	(325,206)	375
Total Value Distributed	72,536	100	(86,675)	100

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.



- Presence of a willing buyer and seller
- A reasonable period within which to negotiate the sale taking into account the nature of the asset and the state of the market;
- The parties involved in the transaction will act knowledgeably prudently and without compulsion;
- Values will remain state throughout the reasonable period of negotiation at prevailing market condition'
- The assets will be freely exposed to the market;
- No account is to be taken of an additional bid by a Special Purchaser;
- No account is to be taken of expenses of realization which may arise in the event of a disposal.
- The effect of current volatility in foreign exchange, and the effect of inflation on market variables.

Key Audit Matters

Valuation of Interest in the Properties (Land and Buildings) located at Okene Close, Agbara Industrial Estate, Agbara, Ogun State

Refer to note 3 in the annual report and financial statements

The interest in properties comprising land and buildings located at Okene Close, off Ibadan Road, Agbara Industrial Estate, Ogun State was professionally valued by a firm of Estate Surveyors and Valuers at ₦1.504billion on the basis of open market value between a willing seller and buyer. The carrying value of the revalued land and buildings as at December 31, 2021 was ₦1.222billion. The revaluation resulted in a revaluation surplus of ₦282million. These conclusions are subject to contingent and limiting conditions and assumptions, and dependent upon significant judgement including:

- The property is in its middle age;
- The valuation was prepared on the basis that the property is in a good state of repair condition;
- The inspection of the Valuers was limited to physical observation of the property, which did not reveal any indication of defects occasioning major cracks on walls or leakages in the roofs;

placed on the Items of PPE (excluding land & building) and the disclosures on note 3 to be appropriate.

How our audit addressed the key Audit Matters

Our procedures in relation to management's valuation of the company's interest in land and buildings included:

- Evaluation of the independent external valuers' competence, capabilities and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions; and
- Checking the accuracy and relevance of the input data provided by management.

We found the disclosures on note 3 to be appropriate based on the assumptions and available evidence.



- The title to the property is good and marketable;
- The property is free from all onerous restriction or charges; and
- The property is not adversely affected by, or subject to compulsory acquisition, road widening, new road proposals or planning regulations and environment laws.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies and Allied Matters Act (CAMA) 2020, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

35.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the company has various credit arrangements with some banks which can be utilised to meet its liquidity requirements.

35.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

35.6 Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily the Naira. The currency in which these transactions primarily are denominated is US Dollars (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the company aims to reduce the impact of short-term fluctuations on earnings. The company's significant exposure to currency risk relates to its purchases that are mainly in USD. Although the company has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on the income statement. The company monitors the movement in the currency rates on an on-going basis.

35.7 Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

Debts	13,000	13,336
Less: Cash and cash equivalents	(38,754)	(108,408)
Total equity	1,307,8459	86,267
Adjusted capital	1,282,091	891,195

Debts to adjusted capital ratio 1 1

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

36. Event after reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

	2021 N. '000	2020 N. '000
Current liabilities		
Retired benefit obligations	12	200,261
Trade payables	14	23,045
Borrowings	15	13,336
Current tax payable	16	124,602
Other payables	17	651,475

35. Financial risk management

The Company has exposure to the following risks from its use of financial instruments

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

35.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the Executive Management to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The company's Internal Audit oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

35.2 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from clients and other related parties.

Trade receivables	11,690	20,431
Other receivables	46,022	50,404
Cash and cash equivalents	38,754	108,408
	96,466	179,243

35.3 Cash and cash equivalents

The cash and cash equivalents held as at 31 December 2021 was N38.7 million (2020: N108.4 million). The cash and cash equivalents are held in banks and financial institutions in Nigeria.



□ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

□ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

□ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

In accordance with the Financial Reporting Council of Nigeria Act 2011 and the Companies and Allied Matters Act (CAMA 2020); we confirm that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of the audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's statement of financial position and the statement of profit or loss and other comprehensive income statement are in agreement with the books of account and returns.

For SIAO (Chartered Accountants)


Joshua Ansa
Partner FRC/2013/ICAN/00000001728
March 28, 2022



STATEMENT OF FINANCIAL POSITION

	Note(s)	2021 N. '000	2020 N. '000
Assets			
Non-Current Assets			
Property, plant and equipment	3	2,056,472	1,663,711
Intangible assets	4	-	-
		2,056,472	1,663,711
Current Assets			
Inventories	5	182,383	174,102
Trade receivables	6	11,690	20,431
Other receivables	7	46,022	50,404
Cash and cash equivalents	8	38,754	108,408
		<u>278,849</u>	<u>353,345</u>
Total Assets		2,335,321	2,017,056
Equity and Liabilities			
Equity			
Share capital	9	108,466	108,466
Share premium	10	380,009	380,009
Revaluation reserves	11	1,756,588	1,365,223
Retained earnings		(937,218)	(867,431)
		<u>1,307,845</u>	<u>986,267</u>
Liabilities			
Non-Current Liabilities			
Deferred tax	13	61,556	18,071
Current Liabilities			
Trade and other payables	14	14,584	23,044
Borrowings	15	13,000	13,336
Retirement benefit obligation	12	197,827	200,261
Current tax payable	16	124,736	124,602
Other Payables	17	615,773	651,475
		<u>965,920</u>	<u>1,012,718</u>
Total Liabilities		1,027,476	1,030,789
Total Equity and Liabilities		2,335,321	2,017,056

These annual report and financial statements and the notes on pages 30 to 63 thereon, were approved by the board of directors on the 24, March 2022 and were signed on its behalf by:


Mr. Isola Olukayode - Managing Director
FRC/2021/003/00000022466


Mr. G. A. Alegieuno - Director
FRC/2014/ICAN/00000007613


Funmilayo Adedeji - Chief Financial Officer
FRC/2020/ICAN/00000022389

The accounting policies on pages 34 to 45 and the notes on pages 46 to 61 form an integral part of the annual report and financial statements.

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS – CONT'D

		2021 N. '000	2020 N. '000
Cash and cash equivalents	8	(38,754)	(108,408)
Net borrowings		<u>927,163</u>	<u>904,311</u>
Equity		1,307,845	986,267
Gearing ratio		71 %	(7%)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade receivables	6	11,690	-	11,690	20,431	-	20,431
Other receivables	7	46,022	-	46,022	50,404	-	50,404
Cash and cash equivalents	8	38,754	-	38,754	108,408	-	108,408
		<u>96,466</u>	-	<u>96,466</u>	<u>179,243</u>	-	<u>179,243</u>

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021		Carrying amount
Current liabilities		
Retired benefit obligations	12	197,827
Trade payables	14	14,581
Borrowings	15	13,000
Current tax payable	16	124,736
Other payables	17	<u>615,773</u>

2020

Carrying amount

34. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

			2021 N. '000	2020 N. '000
	Note(s)	Amortised cost	Total	Fair value
Trade receivables	6	11,690	11,690	11,690
Other receivables	7	46,022	46,022	46,022
Cash and cash equivalents	8	38,754	38,754	38,754
		96,466	96,466	96,466

2020

	Note(s)	Amortised cost	Total	Fair value
Trade receivables	6	20,431	20,431	20,431
Other receivables	7	50,404	50,404	50,404
Cash and cash equivalents	8	108,408	108,408	108,408
		179,243	179,243	179,243

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Retired benefit Obligation	12	197,827	197,827	197,827
Trade payables	14	14,581	14,581	14,581
Borrowings	15	13,000	13,000	13,000
Current tax	16	124,736	124,736	124,736
Other payables	17	615,773	615,773	615,773
		965,917	965,917	965,917

2020

	Note(s)	Amortised cost	Total	Fair value
Retired benefit obligations	12	200,261	200,261	200,261
Trade payables	14	23,045	23,045	23,045
Borrowings	15	13,336	13,336	13,336
Current tax payable	16	124,602	124,602	124,602
Other payables	17	651,475	651,475	651,475
		1,012,719	1,012,719	1,012,719

Capital risk management

Retirement benefit obligation	12		197,827	200,261
Trade payable	14		14,581	23,045
Borrowings	15		13,000	13,336
Current tax payable	16		124,736	124,602
Other payables	17		615,773	651,475
Total borrowings			965,917	1,012,719

	Note(s)	2021 N. '000	2020 N. '000
Revenue	18	503,548	460,837
Cost of sales	19	(410,193)	(404,963)
Gross profit		93,355	55,874
Other operating income	20	61,438	4,556
Other operating gains (losses)	21	-	30
Selling and distribution expenses	22	(22,092)	(67,359)
Administrative expenses	23	(198,357)	(314,943)
Operating (loss)/profit	24	(65,656)	(321,842)
Finance costs	25	(2,833)	(2,212)
Loss before taxation		(68,489)	(324,054)
Taxation	26	(1,298)	(1,152)
Loss for the year		(69,787)	(325,206)
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss:			
Gains on PPE revaluation		434,850	-
Capital gains tax relating to PPE revaluation.		(43,485)	-
Total items that will not be reclassified to profit or loss		391,365	-
Other comprehensive income for the year net of taxation	28	391,365	-
Total comprehensive income (loss) for the year		321,578	(325,206)
Earnings per share			
Per share information			
Basic loss per share (kobo)	29	(64)	(299)

The accounting policies on pages 34 to 45 and the notes on pages 46 to 61 form an integral part of the annual report and financial statements.

	Share capital N. '000	Share premium N. '000	Revaluation reserve N. '000	Retained income N. '000	Total equity N. '000
Balance at January 1, 2020	108,466	380,009	1,365,223	(542,225)	1,311,473
Loss for the year	-	-	-	(325,206)	(325,206)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	(325,206)	(325,206)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-
Balance at January 1, 2021	108,466	380,009	1,365,223	(867,431)	986,267
Loss for the year	-	-	-	(69,787)	(69,787)
Other comprehensive income	-	-	391,365	-	391,365
Total comprehensive Loss for the year	-	-	391,365	(69,787)	321,578
Balance at December 31, 2021	108,466	380,009	1,756,588	(937,218)	1,307,845
Note(s)			11&28	28	

The accounting policies on pages 34 to 45 and the notes on pages 46 to 61 form an integral part of the annual report and financial statements.

	2021 N. '000	2020 N. '000
--	-----------------	-----------------

33. Related parties

Related party transactions

The Chairman of the Board of Directors is related to:

(i) The Legal Adviser to the Company -Chief Rotimi Williams Chambers. In 2021, no legal services was rendered to pharmakeko Plc. (2020: N8,773,158.26)

(ii) The Secretary to the Company -Unity Trustees Limited. The value of services rendered to the company during the year was valued at N1,725,000 (2020: N1,725,000).

Mr. Alegieuno

The company's guest house located at Awka close, Agbara Estate belongs to Mr. Alegieuno, a Director of the Company. The rent of the guest house was negotiated at N1,500,000 per annum, payable in advance.

Compensation to directors and other key management

Short-term directors' benefits (see notes 20.1 and 23.2)	<u>9,929</u>	<u>34,549</u>
Fees - chairman	250	250
Fees - other directors	1,200	1,200
Emoluments as executives	9,720	9,720
	<u>11,170</u>	<u>11,170</u>

The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N5,000,000 - N7,000,000	-	-
N7,000,001 - N9,000,000	-	-
N12,000,000 and above	1	1
	<u>1</u>	<u>1</u>

Transaction with key personnel

The key management personnel of the company comprises of both the board of directors and the management team.

Short term benefits (board of directors)

Fees:

Chairman	250	250
Other directors	1,400	1,400
	<u>1,650</u>	<u>1,650</u>

Other emoluments:

Chairman	-	2,500
Other directors	-	17,500
	-	<u>20,000</u>

See notes 20.1 and 23.2

	2021 N. '000	2020 N. '000
Remittance of liabilities	45,959	-
Company profit/(loss) before income tax	<u>(68,489)</u>	<u>(324,054)</u>
28. Other comprehensive income		
Components of other comprehensive income - 2021		
	Gross	Tax
		Net
Items that will not be reclassified to profit (loss)		
Movements on revaluation		
Gains (losses) on property revaluation	<u>434,850</u>	<u>(43,485)</u>
		391,365
29. Earnings per share		
Basic loss per share		
From continuing operations	<u>(64)</u>	<u>(299)</u>
The calculation of the basic earnings/(loss) per share was based on the profit/(loss) for the year and weighted average number of ordinary shares outstanding:		
Reconciliation of profit or loss for the year to basic earnings		
Profit or loss for the year attributable to equity holders	<u>(69,787)</u>	<u>(325,206)</u>
30. Cash (used in)/generated from operations		
Loss before taxation	(68,489)	(324,054)
Adjustments for:		
Depreciation and amortisation	67,880	70,934
Profit on disposal of asset	21	-
loss on foreign exchange	-	(30)
Finance costs	2,833	2,212
Movements in retirement benefit assets and liabilities	(2,434)	(28,555)
Changes in working capital:		
Inventories	(8,281)	119,228
Trade and other receivables	8,741	95,970
Other receivables	-	-
Trade and other payables	(47,269)	(17,807)
Other liability	7,518	188,906
	<u>(39,480)</u>	<u>106,804</u>
31. Tax paid		
Balance at beginning of the year	(124,602)	(123,450)
Current tax for the year recognised in profit or loss	(1,298)	(1,152)
Balance at end of the year	124,736	124,602
	<u>(1,164)</u>	<u>-</u>
32. Capital commitments		
There are no material commitment for capital expenditure not provided for in these financial statements.		

	Note(s)	2021 N. '000	2020 N. '000
Cash flows from operating activities			
Cash (used in)/generated from operations	30	(39,480)	106,804
Finance costs		(2,833)	(2,212)
Tax paid	31	(1,164)	-
Net cash from operating activities		<u>(43,477)</u>	<u>104,592</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(26,066)	(713)
Sale of property, plant and equipment		225	-
Net cash from investing activities		<u>(25,841)</u>	<u>(713)</u>
Cash flows from financing activities			
borrowings		(336)	(1,664)
Net cash from financing activities		<u>(336)</u>	<u>(1,664)</u>
Total cash movement for the year		(69,654)	102,215
Cash at the beginning of the year		108,408	6,163
Effect of exchange rate movement on cash balances		-	30
Total cash at end of the year	8	<u>38,754</u>	<u>108,408</u>

The accounting policies on pages 34 to 45 and the notes on pages 46 to 61 form an integral part of the annual report and financial statements.

Corporate information

The Company was incorporated as a private limited liability company in 1967 as PARKE-DAVIS & CO (NIG.) LTD. In 1980, the Company changed its name to PHARMA DEKO LIMITED, and in pursuance of the Companies and Allied Matters Act 2020, is now known as PHARMA DEKO PLC. The address of the company is Plot C1/1 Okene Close, Agbara Industrial Estate, Agbara, Ogun State.

The company's principal activities include the manufacturing, packaging and marketing of high quality pharmaceutical and consumer products. The consumer and pharmaceutical products share the same production lines and the company leverages on this to ensure efficiency and effectiveness in its production process.

The company is also engaged in the use of its facilities for manufacturing and packaging services for third parties.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

(a) Statement of Compliance

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies and Allied Matters Act (CAMA) 2020.

(b) Basis of Measurement

The financial statements have been prepared on the historic cost basis, unless otherwise stated in the accounting policies which follow. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, except where otherwise indicated.

These accounting policies are consistent with the previous period.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating-decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the finance and general purpose committee that makes strategic decisions.

The basis of segmental reporting has been set out in note 1.16

1.3 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

	2021 N. '000	2020 N. '000
26. Taxation (continued)		
Effect of income that is exempt from taxation	(737)	(8,566)
Effect of expenses that are not deductible in determining taxable profit	10,475	21,280
Relieved losses	10,809	84,502
Minimum tax	1,298	1,152
	<u>1,298</u>	<u>1,152</u>

27. Operating segments

Pharma Deko Plc is engaged in the manufacturing and marketing of high quality pharmaceutical and consumer products. The Company has three reportable segments which serve as the Company's strategic business units. These operating segments are assessed and strategic decisions are made on the basis of operating segment results. The following summary describes the operations in each of the reportable segments:

Pharma: This refers to the pharmaceutical products of the Company;
 Consumer: This refers to the production of beverages and;
 Contract: This refers to the use of the Company's facility for manufacturing and packaging of goods and services to third parties.

Due to the nature of the Company's operations and the relationship among the above segments (sharing of production lines), the assets and the liabilities of the Company cannot be determined on a segmental basis and does not form part of the information provided to management for segmental review. Hence, such information is not disclosed as part of operating segments. Also Administrative Expenses and Interest Expenses are distributed proportionately to all segments due to the reason mentioned above.

2021	Pharma	Consumer	Total
External revenue (segment revenue)	168,031	335,517	503,548
Raw materials & other consumables	(131,851)	(212,546)	(344,397)
Depreciation	(21,955)	(43,840)	(65,795)
Selling and distribution expenses	(8,264)	(13,828)	(22,092)
Admin. expenses	(77,776)	(120,581)	(198,357)
Interest expense	(946)	(1,887)	(2,833)
Segment profit/(loss) before income tax	(72,761)	(57,165)	(129,926)

2020	Pharma	Consumer	Total
External revenue (segment revenue)	134,712	326,125	460,837
Raw materials & other consumables	(125,466)	(214,117)	(339,583)
Depreciation	(19,112)	(46,268)	(65,380)
Selling and distribution expenses	(19,690)	(47,669)	(67,359)
Admin. expenses	(91,334)	(223,609)	(314,943)
Interest expense	(647)	(1,565)	(2,212)
Total profit/(loss) for segments	(121,537)	(207,103)	(328,640)

Reconciliation of operating segment revenue to company revenue	2021	2020
Revenue for segments	503,548	460,837

Reconciliation of operating segment profit/(loss) to company profit/(loss) before tax	2021	2020
Total profit/(loss) for segments	(129,926)	(328,640)
Sales of scrap	7,564	476
Profit on disposal	21	3,164
Contract Income	7,893	916
Profit (loss) on exchange differences	-	30

	2021 N. '000	2020 N. '000
24. Operating profit (loss) (continued)		
The table shows the number of employees whose earnings during the year fell within the ranges shown below:		
N0 - N150,000	-	-
N500,000 - N1,050,000	24	25
N1,080,001 - N1,350,000	2	1
N1,350,001 - N1,880,000	24	20
N455,001 - N580,000	8	6
N455,001 - N580,000	2	-
N2,500,000 - N2,999,000	1	5
N4,000,001 - N5,950,000	4	4
N5,950,001 - N7,000,000	4	-
N7,000,001 - N8,950,000	-	-
N8,950,001 and above	1	2
	<u>70</u>	<u>63</u>
Rent		
Rent charges		
Premises	<u>1,530</u>	<u>2,547</u>
Depreciation and amortisation		
Depreciation of property, plant and equipment	<u>67,880</u>	<u>70,934</u>
Total depreciation and amortisation	67,880	70,934
Less: Depreciation and amortisation included in cost of merchandise sold and inventories	<u>(65,796)</u>	<u>(65,380)</u>
Total depreciation and amortisation expensed	<u>2,084</u>	<u>5,554</u>
25. Finance costs		
Current borrowings	<u>2,833</u>	<u>2,212</u>
26. Taxation		
Major components of the tax expense		
Current		
Minimum income tax - current period	<u>1,298</u>	<u>1,152</u>
Deferred tax		
Tax expense recognized in OCI: Deferred CGT on revaluation surplus	<u>10,935</u>	<u>-</u>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss)/profit	(68,489)	(324,054)
Tax at the applicable tax rate of 30% (2020: 30%)	(20,547)	(97,216)
Tax effect of adjustments on taxable income		

1.3 Significant judgements and sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Revenue recognition

In making their judgement, management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the company had transferred control of the goods to the customer. Following the detailed quantification of the company liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, management are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note and note .

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Significant judgements and sources of estimation uncertainty (continued)**Provisions**

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

Coronavirus (COVID -19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

1.4 Property, plant and equipment

Property, Plant and Equipment are tangible assets that can span more than one accounting period. These items are stated at their original cost or fair value less accumulated depreciation and impairment losses.

Land and Building is measured at fair value which is determined every two years. The fair value is determined by engaging the services of an external professional valuer.

Any increase as a result of the revaluation of Land and Building is recognised in other comprehensive Income and accumulated in Equity under the heading of Revaluation Surplus. However, the increase is recognised in Profit or Loss to the extent that it reverses a revaluation decrease previously recognised in Profit or Loss. If the revaluation results to a decrease in the carrying amount of Land and Building, the decrease is recognised in profit or loss. However, the decrease is recognised in Other Comprehensive Income to the extent of any credit balance existing in the revaluation surplus in respect of the asset. Any revaluation surplus remaining in Equity on disposal of the asset is transferred to Retained Earnings.

Plant and Machinery, Furniture and Fittings, Motor Vehicles and Computer Equipment are measured at cost.

The initial cost of these assets comprises its purchase price and any costs directly attributable to bringing the asset into operation.

The capitalised value of plant and machinery acquired via finance lease is also included within Property, Plant and Equipment. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50
Plant and machinery	Straight line	10
Furniture and fixtures	Straight line	6.67
Motor vehicles	Straight line	5
Computer equipment	Straight line	3

Land is not depreciated

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

	2021	2020
	N. '000	N. '000
Printing and stationery	623	331
Repairs and maintenance	2,886	366
Agbara estate Charge	9,846	9,935
Security	9,641	8,105
Miscellaneous expenses	-	179
AGM expenses	1,024	762
Personnel cost (note 23.1)	126,179	195,064
Depreciation, amortisation and impairments	2,084	5,554
Director's benefit (note 23.2)	9,929	34,549
Secretarial fees	1,735	1,725
Subscriptions	1,059	525
Expired products written-off	-	22,109
Bad debt	147	-
	198,357	314,943

23.1 Personnel cos

Staff salary	95,806	145,100
Staff gratuity	-	14,850
Staff welfare	17,208	17,581
Medical expenses	1,619	1,904
Staff training and development	1,677	580
Pension	9,869	15,049
	126,179	195,064

23.2 Directors' benefit

Directors travelling allowance	-	20,000
Directors emoluments - fees	1,650	1,650
Directors sitting allowance	7,604	12,899
Other expenses	675	-
	9,929	34,549

The board approved a 100% waiver of the 2019 to 2021 traveling allowance and 50% of sitting allowance. As such, the nil traveling allowance and 50% sitting allowance for 2021. Those for 2019 and 2020 represents the Remission of liability (see note 20).

24. Operating profit (loss)

Operating (loss)/profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fee (net of VAT)	4,500	4,500
------------------------	-------	-------

The auditors (SIAO) did not provide any other service to the company during the year (2020; Nil)

Remuneration, other than to employees

Consulting and professional services	15,152	18,577
Secretarial services	1,735	1,725
	16,887	20,302

Personnel and Director's benefits

Personnel cost (23.1)	126,179	195,064
Directors' benefits (23.2)	9,929	34,549
Total employee costs	136,108	229,613

	2021 N. '000	2020 N. '000
18. Revenue		
Pharma	168,031	134,712
Consumer	335,517	326,125
	<u>503,548</u>	<u>460,837</u>
19. Cost of sales		
Pharma	131,851	125,466
Consumer	212,546	214,117
Manufactured goods:		
Depreciation and impairment	65,796	65,380
	<u>410,193</u>	<u>404,963</u>
20. Other operating income		
Remission of liability (note 20.1)	45,959	-
Profit on disposal of asset	21	3,164
Contract income	7,894	916
Miscellaneous income	7,564	476
	<u>61,438</u>	<u>4,556</u>
20.1 The board approved a 100% waiver of the 2019 to 2021 traveling allowance and 50% of sitting allowance. Those for 2019 and 2020 represents the Remission of liability. See note 23.2 for the effect of the waiver for 2021.		
21. Other operating gains (losses) Foreign exchange gains (losses)		
Net foreign exchange gains	-	30
22. Selling and distribution expenses		
Advert and Publicity	7,639	7,313
Rebate and Promotion	10,303	43,993
Distribution and freight	4,150	16,053
	<u>22,092</u>	<u>67,359</u>
23. Administrative expenses		
Auditors remuneration - external auditors	4,950	4,950
Bank charges	902	957
Consulting and professional fees	15,152	18,577
Donations	170	-
Entertainment	368	69
Insurance	2,600	2,825
Rent	1,530	2,547
Transport and freight	3,259	1,201
Motor vehicle expenses	1,484	1,013
Telephone and postage	2,789	3,600

1.4 Property, plant and equipment (continued)

Impairment is measured as the difference between the carrying amount of an asset and its recoverable amount. Recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Impairment is tested for when there is an indication of impairment such as:

- Decline in the market value of an asset;
- Changes in the technological, economic or legal environment resulting in an adverse effect on our activities;
- Obsolescence or damage of assets;
- Worsening performance of assets.

When there is an objective evidence of impairment, the loss is recognised in Profit or Loss except when there has been a previous upward revaluation in which case the impairment loss is recognised directly in equity.

Gains or losses arising on the disposal of Property, Plant and Equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in Profit or Loss within 'other income' or 'other expenses'.

Asset in progress represents the company's investment in plant and machinery and other assets. Transfers are made from asset in progress to respective asset class upon the arrival and installation of such property, plant and equipments.

1.5 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.

- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

1.6 Intangible assets

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.7 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

	2021	2020
	N. '000	N. '000

16. Current tax payable (continued)

The education tax is based on 2% of assessable profit for the period.

17. Other Payables

Sundry creditors (note 17.1)	249,459	270,883
Accruals	164,572	192,915
VAT payable	43,002	34,374
Employee benefits – unremitted contribution (note 17.2)	158,740	153,303
	615,773	651,475

17.1 Sundry creditors

Other creditors	43,935	58,713
Industrial training fund (ITF)	20,160	18,708
Union dues	4,117	2,961
Withholding tax on dividend	231	231
Withholding tax on services	48,090	47,093
Pay as you earn (PAYE)	7,901	10,536
Salaries and wages payable	96,540	110,508
NSITF	18,729	17,277
Dividend payable(note 17.3)	4,856	4,856
Working Capital loan	4,900	-
	249,459	270,883

17.2 Employee benefits-unremitted contribution

As at January 1	153,303	127,413
Charge for the year	9,869	25,890
Remittances during the year	(4,432)	-
As at December 31	158,740	153,303

The Company operates a defined contribution scheme wherein both the Company and the employees contribute 10% and 8% respectively of the employee's total emolument (basic pay, housing and transport allowance) to a Pension Fund Administrator. As at 31 December 2021, the Company had a liability of N159 million (2020: N153 million) as unremitted pension contribution under this scheme

17.3 Dividend payable

As at Dec 31	4,856	4,856
--------------	-------	-------

	2021 N. '000	2020 N. '000
12. Retirement benefits		
As at January 1	200,261	228,816
Charge for the year	-	14,850
Payments during the year	(2,434)	(43,405)
As at December 31	197,827	200,261

The gratuity policy of the company was terminated on 31 December 2020. Going forward, staff are only entitled to pension in line with the Pension Reform Act 2014. On termination of the retirement scheme, management believed that the amount of liability outstanding was adequate for the payment to all beneficiaries of the scheme. No liability valuation by external valuers was deemed necessary

13. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(61,556)	(18,071)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(18,071)	(18,071)
Deferred tax liability relating to revaluation gain on PPE	(43,485)	-
	(61,556)	(18,071)

14. Trade payables

Financial instruments:

Trade payables	14,584	23,044
----------------	--------	--------

Trade payables are measured at amortised cost. However, because the trade payables are non-interest bearing and have a settlement period of three months hence they are stated at the invoice amount.

15. Borrowings

Promissory note	13,000	13,336
-----------------	--------	--------

Borrowings relate to a 90 day promissory note at 22.5% obtained from United Investments Limited and one of the directors during the year.

16. Current tax payable

	Company tax	Education tax	Capital gain	Total
As at January 1	24,641	44	99,916	124,601
Charge for the year (minimum tax)	1,298	-	-	1,298
Payments	(1,163)	-	-	(1,163)
As at December 31	24,776	44	99,916	124,736

The charge for taxation in this financial statement for the year ended 31 December 2021 is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004.

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 34 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade receivables.

Recognition and measurement

Trade receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Borrowings and loans from related parties

Trade and other payables

Classification

Trade payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 25).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 34 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value after making adequate provision for obsolete, slow moving and damaged items. In case of goods manufactured by the Company, cost includes production overheads. Stock is valued at weighted average cost and goods in transit at the invoice price. Work-in-progress is stated at cost. Cost in this case consists of direct labour and materials plus appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

	2021 N. '000	2020 N. '000
6. Trade receivables (continued)		
Total trade receivables	11,690	20,431
Trade Receivables are non-interest bearing and are generally on a 30 days term. Trade receivables are measured at amortised cost.		
7. Other receivables		
Cash advance	97	32
VAT Receivable	19,403	19,403
Deposit for Import	26,522	30,969
	46,022	50,404
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	98	58
Bank balances	38,651	88,345
Short-term investment	5	20,005
	38,754	108,408
9. Share capital		
Authorised		
300,000,000 ordinary shares of 50k each	150,000	150,000
Issued and fully paid		
216,931,596 ordinary shares of 50k each	108,466	108,466
10. Share premium		
Share premium	380,009	380,009
11. Revaluation reserve		
As at Jan 1	1,365,223	1,365,223
Transferred revaluation surplus on PPE net of tax	391,365	-
As at Dec 31	1,756,588	1,365,223

In line with IAS 16, the revaluation surplus of N391.34 million (net of tax) realised on the revalued Property Plant and Equipment at year end was credited to revaluation reserve. See note 3.1

4. Intangible assets	2021		2020			
	N. '000		N. '000			
	2021	2020	2021	2020		
	Cost/ Valuation	Accumulated amortisation	Carrying value	Cost/ Valuation	Accumulated amortisation	Carrying value
Computer software, other	2,197	(2,197)	-	2,197	(2,197)	-

Reconciliation of intangible assets - 2021

	Opening balance	Total
Computer software, other	-	-

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software, other	244	(244)	-

The asset are assessed on yearly basis to identify any sign of Impairment.

5. Inventories

Raw materials, components	69,760	68,664
Work in progress	4,896	1,691
Finished goods (note 5.1)	23,272	31,387
Consumables	24,692	23,233
Packaging Materials	59,763	49,127
	182,383	174,102

5.1 Finished goods

Gross amount	24,943	53,496
Expired products written off	-	(22,109)
	24,943	31,387

Included in the raw material is Codeine Phosphate valued at about N58million placed on hold by NAFDAC in line with the FGN ban on the importation and sale of any pharmaceutical product that contains codeine phosphate in 2019. The company is looking forward to the recovery of its investment in this raw-material from the FGN just like it did for the finished product, Parkalin Cough Syrup that suffered the same fate.

The sum of N358million was recovered from the FGN on the finished product, Parkalin Dry Cough in 2020. Out of this sum, N87.3million was on account of own finished product in the warehouse while N270.7million was for the account of the part earlier sold to one of the company's distributors.

6. Trade receivables

Trade receivables	11,690	20,431
-------------------	--------	--------

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

1.10 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.12 Taxation

i. Company Income taxation

Income tax payable is provided on taxable profit at the current statutory rate.

ii Education tax

Education tax expenses are recognized in the profit and loss account. Current education tax is the expected tax payable on the taxable income for the period, using statutory tax rates at the statement of financial position date

iii. **Deferred taxation**

Deferred Taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Based on the IFRS provisions, IAS 12, liability method recognizes all timing differences as temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Statement of Financial Position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which Pharma Deko Plc expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted at the Statement of Financial Position date. Deferred tax assets are recognized when it is considered probable (more likely than not) that those assets will be recovered.

1.13 Foreign currency transaction

Transactions denominated in foreign currencies are translated into Naira at the ruling rates of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the prevailing exchange rate at the statement of Financial Position date. Any gain or loss arising from a change in exchange rates is charged to the Statement of Profit or Loss and Other Comprehensive Income.

1.14 Employee benefits

The Company provides a contributory pension fund scheme which is funded by contributions from employees at 8% and employer at 10% based on basic salary, housing and transport allowance in line with the Pension Reform Act of 2014 effective July 1, 2014. The employers' contribution is charged to the Statement of Profit or Loss and Comprehensive income. Contributions are expensed in the period they are payable and any unpaid contribution at the end of the period are recognised as a liability.

The Company also operates an unfunded non-contributory gratuity scheme. Employee final benefit on this scheme is determined based on the employee's year of service and terminal Salary. This applies to employees who retire, resign or are made redundant or the company terminates their appointment as aforesaid. It does not apply to employees who are dismissed from the company.

1.15 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;

	2021 N.'000			2020 N.'000		
3. Property, plant and equipment	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	794,135	-	794,135	606,160	-	606,160
Buildings	709,373	-	709,373	655,365	(26,366)	628,999
Plant and machinery	395,780	-	395,780	522,727	(174,996)	347,731
Furniture and fixtures	3,378	-	3,378	10,002	(7,353)	2,649
Motor vehicles	18,020	-	18,020	98,761	(98,124)	637
Computer equipment	20,397	-	20,397	12,494	(11,829)	665
Asset in progress	115,389	-	115,389	76,870	-	76,870
Total	2,056,472	-	2,056,472	1,982,379	(318,668)	1,663,711

Reconciliation of property, plant and equipment - 2021

	As at 1 Jan.	Additions	Disposals	Revaluations	Depreciation	Accumulated Depreciation	As at 31 Dec.
Land	606,160	-	-	187,975	-	-	794,135
Buildings	655,364	-	-	93,481	(13,107)	(26,365)	709,373
Plant and machinery	547,495	25,246	(204)	(3,962)	(52,690)	(174,996)	395,780
Furniture and fixtures	10,002	308	-	1,607	(1,186)	(7,353)	3,378
Motor vehicles	98,761	-	-	17,922	(539)	(98,124)	18,020
Computer equipment	12,494	512	-	19,578	(358)	(11,829)	20,397
Asset in progress	76,870	-	-	38,519	-	-	115,389
	2,007,146	26,066	(204)	355,120	(67,880)	(318,667)	2,056,472

Reconciliation of property, plant and equipment - 2020

	As at 1 Jan.	Additions	Depreciation	As at 31 Dec.
Land	606,160	-	-	606,160
Buildings	642,106	-	(13,107)	628,999
Plant and machinery	400,004	-	(52,272)	347,731
Furniture and fixtures	3,840	-	(1,191)	2,649
Motor vehicles	4,608	-	(3,971)	637
Computer equipment	345	713	(393)	665
Asset in progress	76,870	-	-	76,870
	1,733,933	713	(70,934)	1,663,711

3.1 Revaluation

I. At year end, the Company revalued it's items of PPE at an open market value of N2.1billion. The valuation was carried out by the firm of Bashir Raheem Consulting (Estate Surveyors and Valuers) and the Valuation Report signed by ESV. Bashir Raheem - RBN A01922, (FRC/2022/PRO/FORMCO7/003/00000023899) and dated 19 January 2022 . The valuation led to a total revaluation surplus of N434.85million gross and N2.01 billion net of tax after, allowing for a 10% deferred capital gain tax of N43.48million.

II. There is no lien or charge on the asset of the company during the year. iii. There is no capital commitment during the year.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There is none applicable to the company

2.2 Standards and Interpretations early adopted

There is none applicable to the company

2.3 Standards and interpretations not yet effective

There is none applicable to the company

- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.16 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed from time to time by the management of the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's operating segments are as follows:

Pharma: This refers to the pharmaceutical product of the Company.

Consumer: This refers to the production of beverages; and

Contract: This refers to the use of the Company's facility for manufacturing and packaging of services to third parties.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise all assets, liabilities and income tax assets and liabilities that cannot be traced to the above segments with reasonable accuracy.

1.17 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

The Company operates a contributory retirement benefit scheme in line with the Pension Reform Act 2014. The Company and employees contribute 10% and 8% respectively of employees' current salaries and designated allowances. The Company's contribution of 10% of employees' emolument is charged to Profit or Loss Account.

1.18 Revenue

Sales of goods

The sales of good comprises of pharmaceutical goods and consumer goods. Revenue from the sale of these goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, sales tax and volume rebates. Revenue is

recognised upon the exit of goods from the company's warehouse given the availability of adequate goods-in-transit insurance. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable and the costs incurred or to be incurred can be measured reliably.

Rendering of services

The rendering of services involves the use of the Company's facilities for manufacturing and packaging of goods for third parties. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, costs incurred and cost to complete can be measured reliably and stage of completion can be ascertained at end of the reporting period. The stage of completion is determined by using the surveys of work completed.

1.19 Discontinued operations

A discontinued operation represents a component of the company's principal business that is a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Profit or loss from discontinued operations is presented in a single amount in the income statement. This amount is the post-tax profit or loss of discontinued operations.

1.20 Earnings per share

The Company presents Basic Earnings per Share (EPS) data for its ordinary shares. The Basic EPS is determined by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

1.21 Dividend

Dividend on ordinary shares are appropriated from retained earnings and recognized as a liability in the period in which they are declared. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

1.22 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company's right to recover products from customers where customers exercise their right of return under the company returns policy.

1.23 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.24 Revenue from contracts with customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.