

**IPCA PHARMA NIGERIA LIMITED  
ANNUAL REPORT AND ACCOUNTS  
31, MARCH 2018**

**IPCA PHARMA NIGERIA LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2018**

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**IPCA PHARMA NIGERIA LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2018**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

MR JAMES.G. AWOLOLA	DIRECTOR
MR MANISH JAIN	DIRECTOR
MR. SHASHIL MENDONSA	DIRECTOR

**LEGAL ADVISER:**

BALOGUN AND BALOGUN & CO  
PRIME ROSE BUILDING  
17A TINUBU STREET  
LAGOS, NIGERIA

**AUDITOR:**

Amobi Nwokafor & Co.  
(Chartered Accountants)  
**THE AUDIT HOUSE**  
2, Shiro Street, Fadeyi, Lagos.  
Tel: 08033040336, 08071202020  
Office - 08058447513  
E-mail: [info@amobinwokafor.com](mailto:info@amobinwokafor.com)  
[www.amobinwokafor.com](http://www.amobinwokafor.com)

**BANKERS:**

STANDARD CHARTERED BANK PLC  
ACCESS BANK PLC  
WEMA BANK PLC  
UNITED BANK FOR AFRICA  
ZENITH BANK PLC

## IPCA PHARMA NIGERIA LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2018

The Directors present their report and audited financial statements for the year ended 31st March, 2018.

#### Principal Activities and Corporate Development

IPCA PHARMA NIGERIA LIMITED is a private company limited by shares. The Company is engaged in the business of importation and marketing of pharmaceutical products as well as raw material and finished formulation. The office is at 17, Osolo Way, Ajao Estate, P.O.Box 2235 Apapa, Lagos, Nigeria.

#### Principal Activities

The major activity of the company is marketing of pharmaceutical products.

#### Legal Form

The company is incorporated in Nigeria as a private company limited by shares. All necessary registrations and renewals have been made with appropriate regulatory authorities in Nigeria for the Company's operations.

#### Shareholdings: Directors and Directors' Interests in the Share Capital of the Company

In accordance with the provisions of Section 342 of the Companies and Allied Matters Act 1990, the following Directors served in the Company during the year:

	%
MR JAMES.G. AWOLOLA	
MR MANISH JAIN	
MR. SHASHIL MENDONSA	
	-----
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The Directors are as stated below

#### Name of Directors

MR JAMES.G. AWOLOLA	Director
MR MANISH JAIN	Director
MR. SHASHIL MENDONSA	Director

#### Directors Interests in Issued Share Capital of the Company

The Directors do not have any direct share holding in the company as at 31st December, 2018

The Memorandum and Articles of Association of the company did not request any of the Directors of the Company to hold qualification shares to be eligible to be a Director in the company.

#### Disclosable Interests of Directors in Contracts

In accordance with Section 277 of the Companies and Allied Matters Act 1990, no Director has declared interests in any contract or proposed contract involving the company.

**IPCA PHARMA NIGERIA LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**Directors Retirement by Rotation**

Pursuant to section 259 of the Companies and Allied Matters Act 1990, requiring one-third of the Directors to retire by rotation, unless the Articles of Association of the Company provides otherwise; the Articles of Association of the company did not make provisions for the retirement of the Directors.

**Share Holding Analysis**

The Shareholding Pattern of the Company for the period ended 31st March 2018 is as stated below:

<b>Share Range</b>	<b>No of Shareholders</b>	<b>No of Holdings</b>	<b>% of Holding</b>
0 - 200,000	0	0	0
200,001 - 400,000	0	0	0
400,001 - 600,000	0	0	0
600,001 - 800,000	0	0	0
800,001 - 1,000,000	0	0	0
1,000,001- Above	1	51,579,190	100

**Results and Dividends:**

The profit or (loss) of the company for the year after taxation was =N= 11,360,447. The directors do not recommend any dividend.

**Donations and Charitable Gifts**

The Company made contributions to charitable, political and non – political organizations during the year.

**IPCA PHARMA NIGERIA LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**Acquisition of shares:**

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

**Employment of Disabled Persons**

It is the policy of the company that there is no unfair discrimination in considering applications for employment on grounds of disability. All employees whether disabled or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31st March, 2018 there was no disabled person in the employment of the company.

**Health, Safety and Welfare at Work**

The Company enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Company retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Company's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company operates a contributory pension plan in line with the Pension Reform Act, 2004, as amended in 2014.

**Employees' Training and Involvement**

The company is committed to keeping employees fully informed as much as possible regarding the company's performance and progress. Views of the employees are sought where practicable, on matters which particularly affect them as employees. The company runs an open door management policy. Management, professional and technical expertise are the company's major assets and investment in developing such skill is continuous. The company's expanding skills base is being brought about by a range of in-house and external training. Opportunities for career development within the company have been broadened. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses, promotion, salaries review etc.

**IPCA PHARMA NIGERIA LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2015**

**AUDITORS**

In accordance with section 357(2) of the Companies and Allied Matters Act, Cap C20 LFN 2004 the auditors, Messrs Amobi Nwokafor & Co.[Chartered Accountants] have indicated their willingness to continue in office as Auditors to the company. A resolution will be proposed authorizing the Directors to fix their remuneration.

By order of the Board.

*Balogun & Balogun*  
Company Secretary.

May, 2018



**BALOGUN & BALOGUN**  
BARRISTERS, SOLICITORS & NOTARIES PUBLIC  
FCMB PLAZA, 40 MARINA LAGOS.

**IPCA PHARMA NIGERIA LIMITED**

**DIRECTORS' RESPONSIBILITY STATEMENT**

The following statements, which should be read in conjunction with the Auditors' responsibility statement on page 6 is made to distinguish the responsibilities of the directors for the financial statements from those of the Auditors.

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

The Directors are required by the Companies and Allied Matters Act, Cap C20 LFN 2004 to prepare financial statements which give a true and fair view of the statement of affairs of the company and of the profit or loss for that period. The financial statements must be prepared on a going concern basis unless it is inappropriate to presume that the company will continue its business.

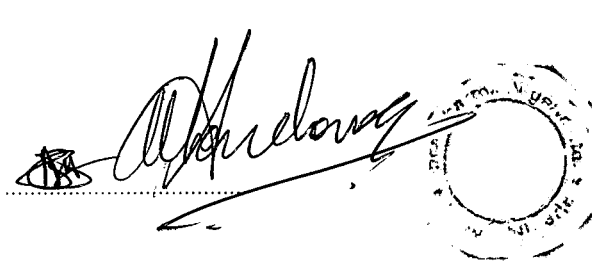
The Directors have responsibility for ensuring that the company keeps accounting records which disclose, with reasonable accuracy, the financial position of the company and enable them to ensure that financial statements comply with the requirements of the Companies and Allied Matters Act, Cap C20 LFN 2004.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The Directors also have a general responsibility for taking such steps as reasonably open to them to safeguard the assets of the company to prevent and detect fraud and other irregularities.

The Directors consider that, in preparing the financial statements on pages 9 to 18, they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates, and that all applicable accounting standards have been followed.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:**

A handwritten signature in black ink is written over a dotted line. To the right of the signature is a circular stamp with some illegible text around its perimeter. A second dotted line is located to the right of the stamp.



**IPCA PHARMA NIGERIA LIMITED**

**AUDITORS' RESPONSIBILITY STATEMENT**

The Auditors are responsible for forming an independent opinion on the financial statement, presented by the Directors, based on their audits, and for reporting their opinion to the Directors. They also have the responsibility under the Companies and Allied Matters, Act Cap C20 LFN 2004 to report to shareholders if particular requirements are not met. The auditors are responsible for forming an independent opinion on the financial statements, presented by the Directors, based on their audits, and for reporting their opinion to the directors:

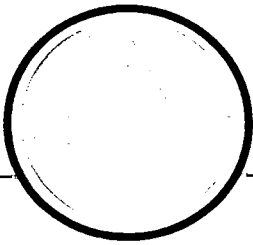
That the company has maintained proper books of account and proper returns obtained from branches not visited by the auditors.

That the financial statements are in agreement with the accounting records and give the information required and a true and fair view, in the case of the balance sheet of the year end, state of the financial affairs of the company at the financial year end, and in the case of the profit and loss accounts, of the profit for the year.

That the financial statements have been properly prepared in accordance with the provisions of the acts Act so as to give a true and fair view of the state of affairs and profit or loss of the company.

That the auditors have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purpose of their audit.

The Auditors opinion does not encompass the Directors report on pages 3 to 4 together with matters included therein by reference. However, the Auditors are to report to members if the matters contained in the Directors report are inconsistent with the financial statements.



# Amobi Nwokafor & Company

Chartered Accountants.

## AUDITORS' REPORT TO THE MEMBERS OF IPCA PHARMA NIGERIA LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of IPCA Pharma Nigeria Ltd . which comprise the statement of financial position at 31 March 2018, the profit or loss account and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies, and other explanatory information.

### Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004 and International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

### Auditors' Responsibility and basis of opinion

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

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

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

### Opinion

In our opinion, these financial statements give a true and fair view of the financial position of IPCA Pharma Nigeria Limited at 31 March 2018, and of its financial performance and cash flows for the year then ended; in the manner required by the Companies and Allied Matters Act CAP C20, LFN 2004 and the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria, Act No 6, 2011.

The Company has kept proper books of account, which are in agreement with the statement of financial position and statement of comprehensive income as it appears from our examination of their records.

*Amobi Nwokafor & Co*

Chartered Accountants  
Lagos, Nigeria.  
FRC/2013/ICAN/0000002770



May, 2018

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

#### 1 Significant Accounting Policies

The following are the significant accounting policies adopted by the company in preparation of these financial statements. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 2 Reporting entity

IPCA Pharma Nigeria Limited is a private company limited by shares. The Company is engaged in the business of importation and Marketing of pharmaceutical products as well as raw material and finished formulations. The office is at 17 Osolo Way, Ajao Estate, P.O Box 2235 Apapa, Lagos.

#### 3 Basis of accounting

##### a Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus, the company continues to adopt the going concern basis of accounting in preparing the financial statements.

##### b Statement of compliance

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and in the manner Matters Act of Nigeria, the Financial Reporting Council Act, 2011 required by the Companies and Allied Matter.

##### c Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Financial instruments designated at Fair value Through Profit or Loss are measured at fair value
- Loans and receivables and Held to Maturity are measured at amortized cost.

##### d Changes in accounting policies and disclosures

- i A number of new standards and amendments to standards and interpretations which are effective for annual periods beginning after 1 January 2014, have been adopted. However, none of these have significant effect on the financial statements of the Company.
- ii Amendments to IAS 36, 'Impairment of assets' on the recoverable amount disclosures for non-financial assets. The amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 BY THE ISSUE OF IFRS 13.
- iii IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

is that, in some cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9, effective 1 January 2018 when completed by the Board.

- iv IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not expected to be material. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a impact on the Company.

#### 4 **Functional and presentation currency**

Items included in these financial statements using currency that best reflects the primary economic environment in which the Company operates ("functional currency"). These financial statements are presented in Nigerian "presentation currency", which is the Company's functional currency.

#### 5 **Presentation**

The financial statements are prepared on the going concern basis of accounting. Assets and liabilities are presented in the Statement of financial position using the Current/Non Current classification. The Statement of profit or loss is presented on the function of expense method, with sub-classification by nature provided in the notes. In the statement of cash flows, the cash flows from operating activities are reported on the indirect method. The financial statements are presented in Nigerian Naira which is the functional currency of the Company.

#### 6 **Use of judgments and estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in notes to the financial statements.

The accounting policies set out below have been applied consistently to all years presented in these financial statements

#### 7 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and are subject to an insignificant risk of change in value. Operating bank balances are included in bank and other cash balances.

#### 8 **Financial assets**

##### 8.1 **Classification**

The Company recognized a financial asset in the statement of financial position when, and only when, it becomes a part

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

to the contractual provision of the instrument. The Company classifies financial assets into; Financial assets at fair value through profit or loss, Loans and receivables, Held-to-maturity financial asset and Available-for-sale financial assets

#### 8.2 Recognition and measurement

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This include listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange NSE) and broker quotes from the Financial Markets Dealer Association.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual or regulatory occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX volatilities and counterparty spreads) existing at the reporting date.

##### 8.2.1 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include 'financial assets held for trading' or 'assets designated as such on initial recognition'. Financial assets classified as 'held for trading' are acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss are investments the Company manages and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy.

Financial assets included in this category are recognized initially at fair value and changes therein, including any interest or dividend income are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

##### 8.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Company intends to sell immediately or in the short term, which are classified as Held for trading, and those that the Company upon initial recognition designates as at fair value through profit or loss
- those that the Company upon initial recognition designates as available for sale; or
- those that the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for in the statement of comprehensive income.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

#### 8.2.3 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as at fair value through profit or loss;
- those that the Company upon initial recognition designates as available for sale; or
- those that meet the definition of loans and receivables.

Interests on held to maturity investments are included in the statement comprehensive income and are reported as investment income. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognized in the statement of comprehensive income as 'Impairment losses on investment securities'.

Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

#### 8.2.4 Available-for-sale financial assets

Available-for-sale financial assets include equity securities. The Company classifies as available-for-sale those financial assets that are generally not designated as other category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available for sale financial investments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized (as a result of impairment or sale), the gain or loss accumulated in equity is reclassified to profit or loss.

#### 8.2.5 Trade receivables

Receivables are recognized initially at fair value based on amounts exchanged and subsequently at present value of estimated future cash flows.

The present value of estimated future cash flows is determined through the use of allowances for uncollectible amounts. As soon as individual trade receivables cannot be collected in the normal way and are expected to result in loss, they are designated as doubtful trade receivables and valued at the expected collectible amounts. They are written down when they are deemed to be uncollectible.

#### 8.3 Reclassification of financial assets

Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of held for trading or available for sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

#### 8.4 Impairment of financial assets

At the end of each reporting period, the Company assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the financial asset(s) have been affected.

Objective evidence of impairment could include significant financial difficulty of the counterparty, breach of contract, probability that the borrower will enter bankruptcy, disappearance of an active market for that financial assets because of financial difficulties, etc.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss.

For financial assets measured at amortized cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortized cost of the financial assets would have been had the impairment not been recognized at the date the impairment is reversed.

For available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES 31ST MARCH 2018

#### 8.5 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 8.6 Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

#### 9 Other receivables and prepayments

Other receivables and prepayments are carried at amortized cost less any accumulated impairment losses. Prepayment are amortized on a straight line basis to the profit or loss.

#### 10 Property, plant and equipment

##### 10.1 Recognition and measurement

On initial recognition, items of property, plant and equipment are recognized at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as profit or loss in the statement of comprehensive income.

##### 10.2 Subsequent measurement

After initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the company. Ongoing repairs and are expensed as incurred.



**IPCA PHARMA NIGERIA LTD**

**COMPANY INFORMATION AND ACCOUNTING POLICIES**

**31ST MARCH 2018**

**10.3 Depreciation**

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of capital-work-in-progress, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated depreciation rates for the current and comparative years of significant items of property, plant and equipment are as follows:

	%
<b>Building</b>	<b>10%</b>
<b>Office Equipment</b>	<b>10%</b>
<b>Computer</b>	<b>20%</b>
<b>Furniture and Fittings</b>	<b>10%</b>
<b>Motor Vehicles</b>	<b>20%</b>

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category.

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The carrying value of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss (determined by comparing net disposal proceeds with carrying amount) arising on Derecognition of the asset is included in the income statement in the year the item is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. No property, plant and equipment was impaired as at 31 March 2018 (2017:Nil)

**11 Impairment of non-financial assets**

**Impairment of property, plant and equipment**

The carrying amounts of such assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognized in profit or loss

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using discount rates that reflects the time value of money and the risks specific to the unit whose impairment is being measured.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there have been separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES 31ST MARCH 2018

#### 12 Financial liabilities

##### 12.1 Recognition and measurement

The Company recognized a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. On initial recognition, the Company recognizes all financial liabilities at fair value. The fair value of a financial liability on initial recognition is normally represented by the transaction price. The transaction price for financial liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the issue of the financial instrument. Transaction costs incurred on issue of a financial liability classified at fair value through profit or loss are expenses immediately. Subsequent measurement of financial liabilities depends on how they have been categorized on initial recognition. The Company classifies financial liabilities into: Financial liabilities at fair value through profit or loss and other financial liabilities.

##### 12.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 'financial liabilities held for trading' or 'liabilities designated as such on initial recognition'. Financial liabilities are classified in this category when that are held principally for the purpose of selling or repurchasing in the short term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or meet the condition for designation in this category. All changes in fair value relating to financial liabilities at fair value through profit or loss are charged to the income statement as they arise.

The Company did not have any financial liability that meet the classification criteria for held for trading and did not designate any financial liabilities as at fair value through profit or loss.

##### 12.1.2 Other financial liabilities

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured cost using the effective interest method.

The Company has the following non-derivative financial liabilities: trade and other payables, bank term loan, borrowings. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

##### a. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Trade and other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short-term.

##### b. Borrowings

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

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES 31ST MARCH 2018

Fees paid on the establishment of loan facilities are recognized as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

#### 13 Employee benefits

##### 13.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods.

##### *Pension Scheme*

In line with the provisions of the Pension Reform Act 2004, the Company has a defined contribution pension scheme for their permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognized as employee benefit expense in profit or loss in the periods which related services are rendered by employees. The employees and employer contribute 10% of Basic salary, Transport & Housing Allowances to the Fund on a monthly basis.

##### 13.2 Short-term benefits

Wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are recognized as employee benefit expense and accrued when the associated services are rendered by the employees to the Company have not been paid.

#### 14 Provisions, contingent liabilities and contingent assets

##### 14.1 Provisions

Provisions are liabilities that are uncertain in amount or timing. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future pre-tax cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

##### 14.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has an a present obligation as a result of past event. It is not recognized because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

##### 14.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the financial statement when they arise.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES

31ST MARCH 2018

#### 15 Income taxes

An income tax comprises current and deferred tax. Current, tax and deferred tax are recognized in net income except to the extent that it relates to items outside ordinary business activity of the Company or items recognized directly in equity or in other comprehensive income.

##### 15.1 Current taxes

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are measured at the amount expected to be recovered from or paid to the relevant tax authorities. The amount is determined using tax rates or tax laws that have been enacted or substantively enacted by the year end.

##### 15.2 Deferred taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax based, except for taxable temporary differences arising on initial recognition of an asset or liability in a transaction

which is not a business combination and at the time the transaction neither affects the accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax (losses), tax credit and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred tax assets to be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will crystallize or be realized.

The amount of deferred tax assets or liability is measured at the amount to be recovered from or paid to the relevant tax authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year end and are expected to apply when the liability/(assets) are settled/(recovered).

Deferred tax assets and liabilities are presented as non-current items irrespective of their originating nature or circumstances.

#### 16 Equity

Equity instruments are contracts that give a residual interest in the net assets of the Company. Retained earnings are classified as equity when there is no obligation to transfer cash and other assets. Components of equity are recognized at the amount of proceeds received net of incremental costs directly attributable to the transaction.

##### 16.1 Share capital

Share capital represents shares that have been issued by the Company; measured at the proceeds received, net of direct issue costs.

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial assets. The Company's ordinary shares are classified as share capital within equity.

## IPCA PHARMA NIGERIA LTD

### COMPANY INFORMATION AND ACCOUNTING POLICIES 31ST MARCH 2018

#### 16.2 Share premium

Any amounts received from issue of share capital in excess of the par value are classified as share premium within equity.

#### 16.3 Retained earnings

The retained earnings comprise of undistributed profit or loss from previous years and current year. Accumulated fund is classified as part of equity in the statement of financial position.

#### 16.4 Dividend payable

Dividend payables are non adjusting events, and are recognized as a liability in the period in which they are paid or if earlier, when declared and approved by the shareholders or (Board of Directors).

#### 17 Capital management

- 17.1 The Company manages its capital to ensure the entity will be able to continue as going concerns while maximizing the return to stakeholders by pricing products and services commensurately with the level of risk and through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged. The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The Company has a target gearing ratio of 0% determined as the proportion of non current debt to equity. The gearing ratio at 31 March 2018 is 0% (2017: 0%).

#### 18 Revenue

Revenue are recognized when the significant risks and rewards of ownership have transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with transactions will flow to the company and the cost incurred in respect of the transaction can be measured reliably. The Company records reduction to revenue for special pricing agreements, price protection and other volume based discounts.

Service revenue is generally recognized on a straight line basis over the service period unless there is evidence that some other method better represents the stage of completion. Progress towards completion is measured by reference to cost incurred to date as a percentage of estimated total project costs.

The percentage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project.

Recognized revenues are subject to revisions during the project the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. Losses on projects in progress are recognized in the period they become probable and estimable Revenue from the provision of human resource service to clients are recognized as services are provided.

**IPCA PHARMA NIGERIA LTD**

**COMPANY INFORMATION AND ACCOUNTING POLICIES  
31ST MARCH 2018**

**19 Financial Risk Management Disclosures**

The company activities expose it to a variety of financial risk with varied intensity namely market risk, credit risk and liquidity risk. The company's overall risk management programme focuses on maintaining a profile of investments that are less risky with adequate returns on investments. Also, the company seeks to minimize potential adverse effects on its financial performance, financial position and cash flow through its sound risk management policies by the board of directors.

**Risk Management Framework**

Risk management is carried out by the company's compliance directorate under policies approved by the board of directors. The compliance directorate carries out regular review of the investment environment and come up with strategies for managing potential exposures. The strategic activities are reviewed regularly and approved by the board as may be necessary.

**19.1 Market risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the company's income or the value of its holdings of financial instruments. The company's objective of managing risk is to monitor and control market risk exposures within acceptable investment profile and maximizing returns on such investment.

The company is not significantly exposed to market risk (interest rate risk) as its holding in rate sensitive financial instruments are of short term nature.

**19.2 Credit risk**

Credit risk is the risk that a counterparty will be unable to meet its contractual obligations, and arises principally from the company's trade and other receivables including its cash and bank balances.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates were:

**TRADE AND SUNDRY RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>=N=</b>	<b>=N=</b>
Trade Receivables	10,914,579	13,839,272
Staff loans at fair values	21,770,981	30,190,226
Prepayment	-	-
	<b>32,685,560</b>	<b>44,029,498</b>

In ensuring proper monitoring of customer credit risk, they are analyzed and grouped according to type of counterparty.

**SUNDRY RECEIVABLES AND STAFF LOANS**

These balances are reviewed regularly for impairment taking into account loss experience (continued employment of: from each source and recoverability based on cash flows. Where impairment does not exist, the amounts are not impaired. No impairment was recorded with respect to other receivables during the period covered by these Financial Statements (31 March 2018: Nil, 31 March 2017: Nil)

IPCA PHARMA NIGERIA LTD

COMPANY INFORMATION AND ACCOUNTING POLICIES  
31ST MARCH 2018

	2018	2017
	=N=	=N=
Impairment for trade receivables - 3rd parties	-	-
Impairment for staff loans	-	-
<b>Impairment trade receivables</b>	-	-
<b>Receivables less impairment</b>	<b>32,685,560</b>	<b>44,029,498</b>

**Impairment**

The aging of trade receivables at the reporting date:

	GROSS	
	2018	2017
	=N=	=N=
Not past due 0-30 days		
Past due 31-180 days	32,685,560	44,029,498
Past due 181-365 days	-	-
More than 365 days	-	-
<b>Total</b>	<b>32,685,560</b>	<b>44,029,498</b>

**IMPAIRMENT**

	2018	2017
	=N=	=N=
Not past due 0-30 days	-	-
Past due 31-180 days	-	-
Past due 181-365 days	-	-
More than 365 days	-	-
<b>Total</b>	-	-

**CARRYING AMOUNT**

	2018	2017
	=N=	=N=
Not past due 0-30 days	32,685,560	44,029,498
Past due 31-180 days	-	-
Past due 181-365 days	-	-
More than 365 days	-	-
<b>Total</b>	<b>32,685,560</b>	<b>44,029,498</b>

IPCA PHARMA NIGERIA LTD

COMPANY INFORMATION AND ACCOUNTING POLICIES  
31ST MARCH 2018

19.3 **Liquidity risk**

Liquidity risk is the risk that the company will be unable to meet its obligations as they fall due.

The company's approach to managing liquidity is to ensure its cash and cash equivalents adequately meet its maturity obligations without incurring significant financial and reputational losses. Liquidity risk arises principally from trade and other payables.

19.4 **Trade payables and accruals**

	2018	2017
	=N=	=N=
Trade Creditors	124,286,460	340,806,968
Accrual	128,833,227	24,753,290
	<b>253,119,687</b>	<b>365,560,258</b>

The carrying amount of liabilities that are financial liabilities equals their respective fair values as the impact of discounting is insignificant. They are all within level 3 of the fair value hierarchy.

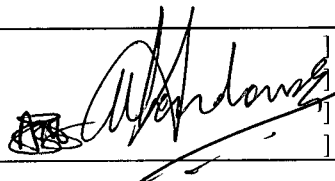


**IPCA PHARMA NIGERIA LIMITED**

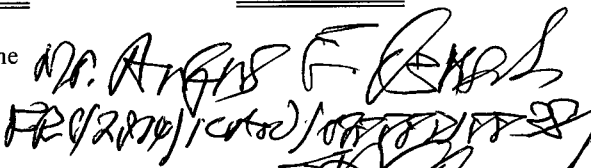
**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018**

	Note	=N= 2018 =N=	=N= 2017 =N=
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	2	<u>11,976,902</u>	15,158,829
<b>Total Non Current Assets</b>		11,976,902	15,158,829
<b>Current Assets</b>			
Cash & cash equivalent	4	365,063,750	276,597,151
Trade & sundry receivables	5	32,685,560	44,029,498
Inventories		<u>40,118,707</u>	<u>213,753,358</u>
<b>Total Current Assets</b>		<u>437,868,017</u>	<u>534,380,007</u>
<b>Total Assets</b>		<u><b>449,844,919</b></u>	<u><b>549,538,836</b></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	253,119,687	365,560,258
Company Income Tax	7	<u>2,877,767</u>	<u>2,375,726</u>
<b>Total Current Liabilities</b>		255,997,454	<b>367,935,984</b>
<b>Non Current Liabilities</b>			
Deferred tax liabilities		<u>3,945,463</u>	<u>3,061,297</u>
<b>Total Liabilities</b>		<u><b>259,942,917</b></u>	<u><b>370,997,281</b></u>
<b>Equity</b>			
Ordinary Share Capital	8	51,589,190	51,589,190
Retained earnings	9	108,459,837	97,099,390
Share Premium		29,852,975	29,852,975
<b>Attributable to:</b>			
Owners of the Company		<u>189,902,002</u>	<u>178,541,555</u>
<b>Total equity and liabilities</b>		<u><b>449,844,919</b></u>	<u><b>549,538,836</b></u>

The financial statements and notes on pages 25 to 32 were approved by the of Directors on \_\_\_\_\_ 2018 and signed on its' behalf by:

 DIRECTORS



  
 Head of Finance

The accompanying notes are an integral part of these financial statements

*Dunder*

IPCA PHARMA NIGERIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2018

	Note	2018 =N=	2017 =N=
Revenue	10	669,015,958	618,664,892
Cost of Sales	11	<u>(410,280,275)</u>	<u>(337,637,789)</u>
Gross Profit / (Loss)		258,735,683	281,027,103
Operating expenses	11b	(29,446,616)	(20,511,035)
Administrative expenses	11c	(78,086,835)	(107,507,773)
Sales and Marketing expenses	12	(133,321,276)	(148,157,322)
Finance Cost		<u>(2,758,603)</u>	<u>(5,553,639)</u>
Profit / (loss) before taxation for the year		15,122,353	(702,666)
Less Tax expense/ credit		<u>(3,761,906)</u>	<u>(2,124,288)</u>
Profit / (loss) after taxation for the year		11,360,447	(2,826,954)
Other comprehensive Income		<u>0</u>	<u>0</u>
Total comprehensive income		<u><u>11,360,447</u></u>	<u><u>(2,826,954)</u></u>
EPS/ (Loss per share)- Basic (in Naira)		0.22	(0.05)

The accompanying notes are an integral part of these financial statements

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IPCA PHARMA NIGERIA LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2018

	Share Capital =N=	Share Premium =N=	Retained Earnings =N=	Total Equity =N=
As at 1 April 2017	51,589,190	29,852,975	97,099,390	178,541,555
<b>Changes in equity for 2017/2018:</b>				
Profit/ (Loss) for the year	-	-	11,360,447	11,360,447
<b>Total comprehensive income for the year</b>	-	-	11,360,447	11,360,447
<b>As at 31 March 2018</b>	<b>51,589,190</b>	<b>29,852,975</b>	<b>108,459,837</b>	<b>189,902,002</b>
As at 1 April 2016	51,589,190	29,852,975	99,926,344	181,368,509
<b>Changes in equity for 2017/2018:</b>				
Profit/ (Loss) for the year	-	-	(2,826,954)	(2,826,954)
<b>Total comprehensive income for the year</b>	-	-	<b>(2,826,954)</b>	<b>(2,826,954)</b>
<b>As at 31 March 2017</b>	<b>51,589,190</b>	<b>29,852,975</b>	<b>97,099,390</b>	<b>178,541,555</b>

The accompanying notes are an integral part of these financial statements

**IPCA PHARMA NIGERIA LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>=N=</b>	<b>=N=</b>
Profit/ (Loss) on operating activities before tax	15,122,353	(702,666)
<b>Adjustment for items not involving movement of cash:</b>		
Depreciation	3,356,735	6,191,290
Loss /(gain) on disposal of fixed asset	(397,506)	(837,998)
Provision for Doubtful debts	-	245,323
Miscellaneous balance Written off/ (back)	22,233	699
<b>Operating profit before working capital changes:</b>	<u>18,103,815</u>	<u>4,896,648</u>
(Increase) / decrease in receivables & prepayments	2,902,460	432,073
(Increase) / decrease in Advances	8,419,245	(4,026,163)
(Increase) /decrease in inventories	173,634,651	(161,836,027)
Increase / (decrease) in payables & accruals	(216,520,508)	178,172,358
Increase / (decrease) in Other Liabilities	105,531,462	(1,641,348)
<b>Cash surplus / (deficit) generated from operations</b>	<u>92,071,125</u>	<u>15,997,541</u>
<b><u>Cash flow from Investment activities:</u></b>		
Purchase of fixed asset	(1,000,000)	(8,670,866)
Disposal of fixed assets	-	3,517,998
<b>Net cash outflow after in investing activities</b>	<u>91,071,125</u>	<u>10,844,673</u>
<b><u>Cash flow from financing activities:</u></b>		
Tax Paid	(2,567,526)	(2,707,711)
Share capital introduced	-	-
<b>Net cash inflow from financing activities</b>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	88,503,599	8,136,962
<b>Cash and cash equivalents at the beginning of the year</b>	<u>276,560,151</u>	<u>268,423,189</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>365,063,750</u></u>	<u><u>276,560,151</u></u>
<b><u>Cash and cash equivalent as per SOFP</u></b>		
Cash and cash equivalent assets		
Cash and cash equivalent overdraft		
<b>Cash and cash equivalent at year end</b>	<u><u>365,063,750</u></u>	<u><u>276,560,151</u></u>

The accompanying notes are an integral part of these financial statements

IPCA PHARMA NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT  
31ST MARCH 2018

2 Property, Plant & Equipment

(a) The movement on these accounts during the year were as follows:

	Building & Leasehold Improvements =N=	Office Equipment =N=	Computer Accessories =N=	Furniture & Fittings =N=	Motor Vehicles =N=	Total =N=
<b>COST / DEEMED COST</b>						
As at 1/4/17	7,098,066	3,607,375	1,395,004	5,017,443	21,700,000	38,817,888
For the year	-	-	-	-	1,000,000	1,000,000
Disposal	-	-	-	-	(4,000,000)	(4,000,000)
As at 31/3/18	<u>7,098,066</u>	<u>3,607,375</u>	<u>1,395,004</u>	<u>5,017,443</u>	<u>18,700,000</u>	<u>35,817,888</u>
<b>Amortization / Impairments</b>						
As at 1/4/17	3,609,809	1,660,280	1,431,586	3,362,384	13,595,000	23,659,059
Less: Depreciation Write- Back :						
Adjustment/Disposals	(210,221)	(37,151)	(176,162)	(76,274)	(2,675,000)	(3,174,808)
For the year	499,585	302,592	80,840	427,051	2,046,667	3,356,735
As at 31/3/18	<u>3,899,173</u>	<u>1,925,721</u>	<u>1,336,264</u>	<u>3,713,161</u>	<u>12,966,667</u>	<u>23,840,986</u>
<b>CARRYING AMOUNT</b>						
As at 31/3/18	<u>3,198,893</u>	<u>1,681,654</u>	<u>58,740</u>	<u>1,304,282</u>	<u>5,733,333</u>	<u>11,976,902</u>
As at 31/03/17	<u>3,488,257</u>	<u>1,947,095</u>	<u>(36,582)</u>	<u>1,655,059</u>	<u>8,105,000</u>	<u>15,158,829</u>

(b) At the balance sheet date there were no commitment for capital expenditure.

(c) No assets of the company was pledged as security for loans during the reporting period.

IPCA PHARMA NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT  
31ST MARCH 2018

**Deferred Tax (Asset) / Liabilities**

	<b>Carrying Amount</b> =N=	<b>Tax Base</b> =N=	<b>Temp. Diff.</b> =N=
Property, Plant & Equipment	<u>15,158,829</u>	<u>2,007,286</u>	<u>13,151,543</u>
Taxable Temporary Difference			<u>13,151,543</u>
Deferred Tax Liabilities at 30%			<u>3,945,463</u>

	<b>2018</b> =N=	<b>2017</b> =N=
Deferred Tax Schedule		
Opening Balance	3,061,297	3,312,735
Charge / (income) to income statement	<u>(884,139)</u>	<u>(251,438)</u>
	<u>3,945,436</u>	<u>3,061,297</u>

**4 Cash and cash equivalents**

Total Cash And Cash Equivalent	<u>365,063,750</u>	<u>276,597,151</u>
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**5 Trade & Sundry Receivables**

Trade Receivables	10,914,579	13,839,272
Other Receivables	-	-
Staff loans at fair values	<u>21,770,981</u>	<u>30,190,226</u>
	<u>32,685,560</u>	<u>44,029,498</u>

**6 Trade & other payables**

Trade Creditors	124,286,460	340,806,968
Other Payables	<u>128,833,227</u>	<u>24,753,290</u>
	<u>253,119,687</u>	<u>365,560,258</u>

**7 Company Income Tax**

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes and computed in accordance with the provisions of the Companies Income Tax Act (LFN CAP 60) as amended to date: The carrying amount of liabilities that are financial liabilities equals their respective fair values as the impact of discounting is insignificant. They are all within level 3 of the fair value hierarchy.

	<b>2018</b> =N=	<b>2017</b> =N=
<b>Taxation</b>		
<b>Provision for the year:</b>		
Income Tax	2,508,185	2,508,185
Education Tax	<u>369,582</u>	<u>369,582</u>
Charge to profit and loss account	<u>2,877,767</u>	<u>2,877,767</u>
Balance b/fwd	2,669,618	2,770,711
Payments	<u>(2,669,618)</u>	<u>(2,770,711)</u>
<b>Balance c/fwd</b>	<u>2,877,767</u>	<u>2,877,767</u>

**8 Share Capital**

<b>Authorised share capital:</b>		
52,000,000 ordinary shares at =N=1 each	<u>52,000,000</u>	<u>52,000,000</u>
<b>Issued and Fully Paid</b>		
51,589,190 ordinary shares of =N= each	<u>51,589,190</u>	<u>51,589,190</u>

IPCA PHARMA NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT  
31ST MARCH 2018

	2018	2017
	=N=	=N=
<b>9 Retained Earnings</b>		
Opening balances	97,099,390	99,926,344
Profit for the year	11,360,447	(2,826,954)
<b>Balance c/fwd</b>	<u>108,459,837</u>	<u>97,099,390</u>
<b>10 Revenue</b>		
Income from core operations	669,015,958	618,664,892
Other Income	-	-
	<u>669,015,958</u>	<u>618,664,892</u>
<b>11 Cost of Sales</b>		
Opening Stock	213,753,358	51,917,331
Add: Purchases	236,645,624	499,473,815
	450,398,982	551,391,146
Less: Closing Stock	(40,118,707)	(213,753,358)
	<u>410,280,275</u>	<u>337,637,788</u>
<b>11b Cost classification by nature - Operating Expenses</b>		
Salaries & Wages	25,721,131	16,670,146
Directors Remuneration	3,264,000	3,444,000
Training Expenses	461,485	396,889
	<u>29,446,616</u>	<u>20,511,035</u>
<b>11c Cost classification by nature - Administrative Expenses</b>		
Rent	7,983,316	10,766,680
Power, Fuel and Water charges	8,634,140	11,942,883
Insurance	6,124,536	6,447,359
<b>Repairs &amp; Maintenance:</b>		
Building	2,129,360	2,654,123
Equipment	2,768,492	2,798,602
Vehicles & Others	2,518,933	3,363,520
Communication	2,013,860	3,088,112
Printing and Stationery	1,372,370	2,326,459
Conveyance Expenses	23,517,185	32,439,297
Seminars and Conferences	8,538,828	15,913,621
Auditors Remuneration	800,000	800,000
Newspaper and Periodicals	144,550	78,325
Security and Safety	4,499,800	4,460,000
Depreciation	3,356,735	6,191,290
Cleaning and Refuse Disposal	82,800	223,750
Foreign exchange gain/loss (net)	245,150	138,618
Office Fumigation	262,500	255,800
Medical Expenses	514,000	350,000
Telephone Expenses	600,500	550,025
Courier Postages	1,957,547	5,740,020
Assets scrapped account	-	(350,000)
Miscellaneous	22,233	-
	<u>78,086,835</u>	<u>110,178,484</u>

IPCA PHARMA NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT  
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12 Cost classification by nature - Sales and Marketing Expenses	2018 =N=	2017 =N=
Product Registration	5,001,900	7,860,350
Product promotion expenses	11,003,000	18,357,800
Conferences meeting expenses	4,390,743	4,502,372
Product launch expenses	6,274,180	6,425,003
Hotel Accommodation	5,441,402	8,046,116
Field Staff Salaries and Wages	28,623,931	26,452,802
Field staff expenses	14,800,535	14,770,505
Transportation and Carriage	40,008,782	45,118,454
Other Distribution expenses	4,225,192	5,000,000
Travelling expenses	13,551,611	11,623,920
	<u>133,321,276</u>	<u>148,157,322</u>
<b>12b Cost classification by nature - Finance Cost</b>		
Bank Charges	<u>2,758,603</u>	<u>5,553,639</u>
	<u>2,758,603</u>	<u>5,553,639</u>
<b>12c Tax Expense</b>		
Income tax	2,508,185	2,508,185
Education tax	369,582	369,582
Deferred tax charge	884,139	(251,438)
	<u>3,761,906</u>	<u>2,626,329</u>

**13 Guarantees and other financial commitments**

a. *Contingent Liability*

There is no contingent liability involving the company as at 31st March, 2018.

b. *Financial Commitments*

The Directors are of the opinion that all known liabilities and commitments relevant in assessing the company's state of affairs have been taken into account in the preparation of this financial statements.

**14 Events after reporting period**

There are no post balance sheet events which could have had material effect on the financial position of the company as at 31 March 2018 (2017: Nil) and profit attributable to equity holders on that date.