

Shaping the future

Two Thousand & Twelve
2012
Annual Reports And Accounts

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we value life

CESTRA

INTELLIGENT NUTRITION SYSTEMS

CESTRA is a range of nutritional supplements containing a unique blend of minerals, vitamins and other micronutrients. It provides health benefits in prevention and treatment of different health conditions. Taking a cue from nature, CESTRA formulas are developed with a set of systematic standards and benchmarks for nutritional supplements (Intelligent Nutrition System)

NUTRACEUTICALS



Cestra 'Once A Day'

Cestra 'Once A Day' offers all round wellness naturally. It is a wholesome supplement for optimum health and wellbeing. It is needed to prevent nutrient deficiency in people with poor appetite, people whose diet consists of processed and refined foods, vegetarians and vegans. It also supports people with high stress levels including upwardly mobile executives. It supports the energy levels required highly active people such as sportsmen. It is rich in antioxidants and helps to support the immune system. Cestra 'Once A Day' comes as a pack of 30 'quick release' tablets.



Cestra '50 Plus Once A Day'

Cestra '50 Plus Once A Day' is carefully formulated to meet the peculiar needs of advancing age. This includes nutritional deficiency caused by smaller appetite, less efficient digestion and fatigue resulting from low levels in the elderly. It protects the body from damaging free radicals implicated in the development of diseases such as heart disease, arthritis and liver damage. Cestra '50 Plus Once A Day' is available as a pack of 30 'easy to absorb' tablets.



Cestra 'Omega 3 & 6'

Cestra 'Omega 3 & 6' provides a blend of essential fatty acids to support people with certain health challenges such as inflammatory joint conditions, skin conditions such as eczema, as well as cardiovascular challenges. It may help lower blood pressure and cholesterol levels.

Cestra 'Omega 3 & 6' comes as a pack of 30 capsules with 'liquicap technology'

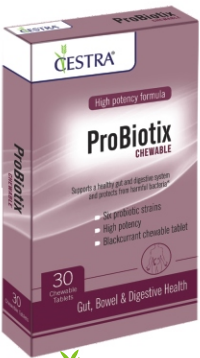


Cestra 'Pre Natal Once A Day'

Cestra 'Pre Natal Once A Day' is purposefully formulated to prepare women for pregnancy and promotes health, growth and development of the baby. It provides the special nutritional requirements of the pregnant woman and the developing baby throughout the pregnancy. It supports the immune system, energy levels and vitality during pregnancy and breast-feeding.

The antioxidants present can help reduce the risk of pregnancy-related hypertension and pre-eclampsia. Vitamin A is excluded from the formula as excess preformed Vitamin A may cause birth defects and liver toxicity.

Cestra 'Pre Natal Once A Day' is available as a pack of 30 'gentle non-constipating' tablets.



Cestra 'Chewable Probiotix'

Cestra 'Chewable Probiotix' is a blend of carefully selected 'friendly' bacteria that confer health benefits to the host. Probiotix offers tremendous benefit for the gut and digestive health and has been found to be very useful in digestive disorders, functional bowel disorders and gastrointestinal bacterial infection. Probiotix restores the positive balance of friendly in the gastrointestinal system disrupted by antibiotics and should therefore be used as an adjunct to antibiotic therapy. Probiotix has been proven to help significantly reduce the symptoms of Irritable Bowel Syndrome.

Cestra 'Chewable Probiotix' comes as a pack of 30 chewable tablets.

Notice Of The 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of Fidson Healthcare Plc will be held at the Banquet Hall, Sheraton Hotels and Towers, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos on Thursday, 25th July, 2013 at 12.00 noon to transact the following businesses:

Ordinary Business

1. To receive the audited accounts for the 12 months ended 31st December, 2012 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect directors.
4. To authorize the Directors to fix the remuneration of the auditors.
5. To elect members of the Audit Committee in accordance with Section 359(4) (5) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

Special Business

6. To fix the remuneration of Directors
7. To consider and if thought fit, to pass the following as an ordinary resolution: "That the company's authorised share capital be and it is hereby increased from N750,000,000 (Seven hundred and fifty million naira) divided into 1,500,000,000 Ordinary shares of 50Kobo each to N1,200,000,000 (One billion, Two Hundred million naira) by the creation of additional 900,000,000 ordinary shares of 50kobo each, ranking pari-pasu in all respect with the existing ordinary shares".

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy form is attached. All instruments of proxy should be duly stamped at the Stamp Duty office and deposited at the registered office of the company or the office of the Registrars, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle Yaba, Lagos not later than 48 hours before the time for holding the meeting.

Dividend Warrants

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, dividend warrants will be posted on Friday, 26th of July, 2013 to members whose names appear in the Register of members at the close of business on 5th of July, 2013.

Closure of Register of Members.

The Register of members and Transfer Books of the company will be closed from 8th to 12th of July, 2013 (both dates inclusive) for the purpose of payment of dividend.

Nomination of members of Audit Committee

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

E-Dividend/Bonus

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank account, stock-broking account and CSCS accounts for the purpose of e-dividend/bonus. Forms are attached to this annual report for completion by all shareholders to supply the particulars of these accounts to the Registrars (Meristem Registrars Limited) as soon as possible.

BY ORDER OF THE BOARD



J. ABAYOMI ADEBANJO
COMPANY SECRETARY
FRC/2013/ICSAN/00000002161
268, Ikorodu Road, Lagos
Dated this 21st June 2013.



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General Information

DIRECTORS	Mr. Felix O. A. Ohiwerei Dr. Fidelis A. Ayebae Emeritus Prof. Oladipo O. Akinkugbe Mrs. Olufunmilola O. Ayebae Mr. Emmanuel E. Imoagene Mrs Aisha P. Sadauki Mr. Olugbenga O. Olayeye Mr. Abiola A. Adebayo Mr. Olatunde B. Olanipekun	Chairman Managing Director/Chief Executive Officer Executive Executive Executive
COMPANY SECRETARY	J. Abayomi Adebajo	
REGISTERED OFFICE	268, Ikorodu Road, Obanikoro, Lagos. Tel: 01-7406817, 01-8936502 e-mail: info@fidson.com www.fidson.com	
AUDITORS	Ernst & Young(Chartered Accountants) 2A, Bayo Kuku Road, Off Alfred Rewane Road, Ikoyi, Lagos. Tel: 01-4630479- 80, 4630481 e-mail: services@ng.ey.com	
SOLICITORS	Oval Law Firm 110, Obafemi Awolowo Way, Ikeja, Lagos. Tel: 0802 326 4780 0805 225 0559	
BANKERS	First City Monument Bank Plc Bank Of Industry Guaranty Trust Bank Plc Access Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Plc First Bank of Nigeria Plc Sterling Bank Plc Diamond Bank Plc Zenith International Bank Plc United Bank for Africa Plc	
REGISTRARS	Meristem Registrars, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos. Tel: 01-8920491-2 e-mail: info@meristemregistrars.com	



Chairman's Statement



INTRODUCTION

Our esteemed shareholders, members of regulatory bodies, fellow directors, gentlemen of the press, ladies and gentlemen. I welcome you all once again to this occasion where we have opportunity to exchange ideas for the benefit of our great company. It is the 14th annual general meeting of our company.

You will recall that the accounts presented to you last year covered a period of 18 months. This year, we are considering accounts of a 12 month period covering January to December 2012. The account is in full compliance with the International Financial Reporting Standards (IFRS).

OPERATING ENVIRONMENT

Business operations during the period under consideration were hampered by a number of factors, including the increase of fuel pump price from ₦60.00k to ₦97.00k per litre; the continued insecurity to life and property (particularly in the Northern parts of the country); inadequate power supply, poor infrastructure and high cost of borrowing.

In spite of these challenges, the GDP increased by 1.0% and the exchange rate was reasonably stable.

OUR COMPANY PERFORMANCE

Given the substantial achievement in the fight against counterfeiting in the industry, our company decided to focus on Brand building through brand extension and re-packaging. The brands affected are Astymin, Tuxil and Gascol.

To ensure that we remained focused on succession planning and improved productivity, a considerable number of employees at all levels have received local and international training.

We made good progress in the construction of our Biotech factory.

Despite the challenges faced by the company during the year, turnover for the year ended 31st December 2012 was N7.168 billion, about the same for the 18 months ended 31st December 2011. Profit after tax was N206.889 million. Earnings per share grew from 4 kobo in 2011 (IFRS adjusted) to 14 kobo in 2012.

THE BOARD

There was no change during the period.

DIVIDEND

The Directors are pleased to recommend a dividend of 12 kobo per 50 kobo ordinary share (2011 = 10 kobo). The dividend is subject to the statutory withholding tax deductions. If approved, warrants will be posted on the 26th of July 2013.

CONCLUSION

I would like to take this opportunity to thank the managing director, managers and staff of our great company for the good results achieved under very difficult operating conditions. Our shareholders continued to take keen interest in the company. We are grateful for your encouragement.

In conclusion, I give thanks and glory to God for His faithfulness. Without His blessings, the good results we have before us would not be possible.

Ladies and gentlemen I thank you for your attention.

Mr. F. O. A. Ohiwerei
Chairman.



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... *through the ages* ...



The job gets done
when the cold is gone.



Tuxil[®]

... *for cough, cold & allergy*

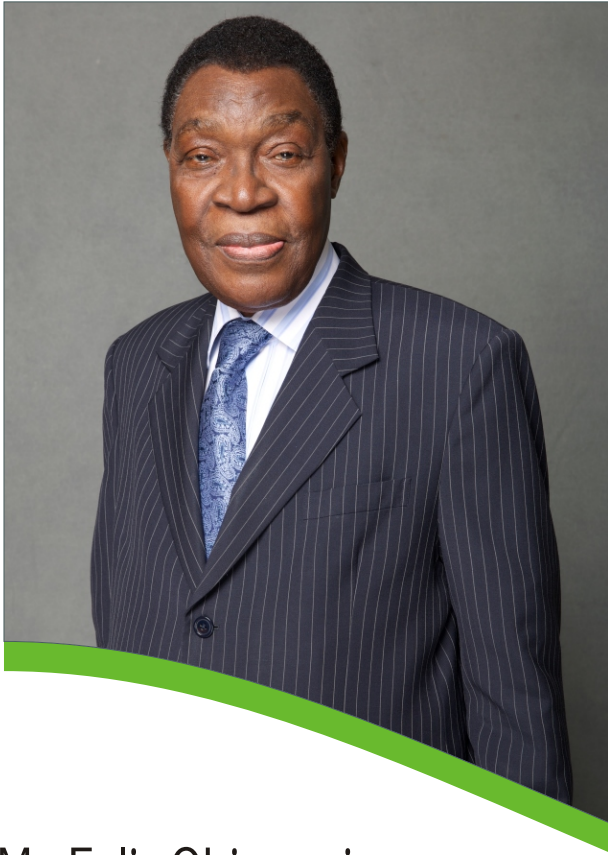
***Always read the label before use



The Board Of Directors

*1- Mr Felix Ohiwerei , 2- Mr. Emmanuel Imoagene, 3- Mr. Biola Adebayo, 4- Mrs Funmilayo Ayebae ,
5- Dr. Fidelis Ayebae, 6- Emeritus Professor Oladipo Akinkugbe, 7- Chief (Mrs) Aisha Sadauki ,
8- Mr. Olugbenga Olayeye, 9- Mr. Olatunde Olanipekun.*

Board Of Directors



Mr. Felix Ohiwerei

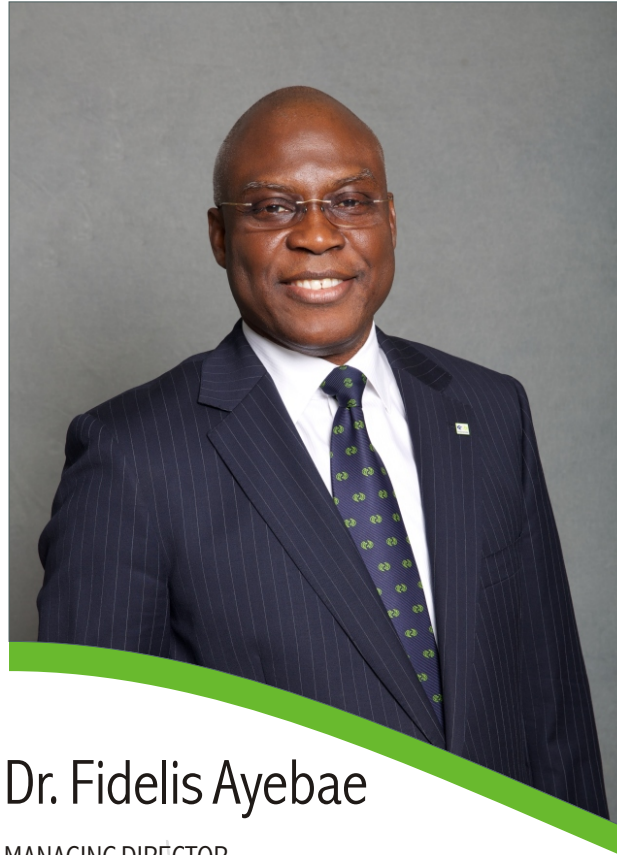
CHAIRMAN

Mr. Felix Omoikoje Aizobeoje Ohiwerei was born in 1937 in Uzebba in Owan Local Government of Edo State. He graduated from University of Ibadan in June 1961. He is an icon of corporate governance and practical management.

Mr. F O A Ohiwerei worked in various capacities including brand management, rising to the position of Marketing Director before becoming the Chairman/Managing Director of Nigerian Breweries in 1989.

He is currently Chairman of several companies including Fidson Healthcare Plc.

Mr. F O A Ohiwerei who holds an Honorary LLD from the University of Ibadan. He is a recipient of national honour of the Officer of the Federal Republic (OFR), and the Order of Orange Nassau by the Queen of Netherlands.



Dr. Fidelis Ayebae

MANAGING DIRECTOR

Dr. Fidelis Ayebae graduated from the Mainland Institute of Technology in 1976 with a Diploma in Civil Engineering. He obtained Advanced Diploma in Business Administration from the University of Lagos in 1999.

He is an Fellow of the Chartered Institute of Administration and also a member of the Nigeria Institute of Management.

After working in various capacities in a number of organizations, including Citibank Limited, he started Fidson Healthcare Limited in 1995 as the founder and pioneering Chief Executive Officer.

He is also the Chairman and Director of many other companies.

He has attended many courses, both locally and internationally including banking operation, organisation development skills, selling skills e.t.c.

Board Of Directors



Emeritus Professor Oladipo Akinkugbe

DIRECTOR

Professor Akinkugbe was educated at Government College, Ibadan and The University College, Ibadan. He later attended London University -The Royal London Hospital- where he received his Medical degree, MBBS, in 1958. Professor Akinkugbe obtained a Diploma in Tropical Medicine and Hygiene in 1960 from Liverpool University, and obtained a Doctor of Philosophy from Balliol College, Oxford University, in 1964. He is the former Vice-Chancellor of the University of Ilorin; former Vice-Chancellor of Ahmadu Bello University; former visiting professor of Medicine at Harvard University; former Pro-Chancellor and Chairman of council of the University of Port Harcourt as well as Emeritus Professor of Medicine, University of Ibadan. Professor Akinkugbe has served as World Health Organization Expert on Health Manpower and WHO Council Member on Health Research. He was the President of the Nigerian Association of Nephrology (1987-90); Member of the Governing Council and Board of Trustees; Obafemi Awolowo Foundation (1992); International Society of Hypertension (1982-90); and Board of Trustees of the African Association of Nephrology (1986).



Mrs Funmilayo Ayebae

DIRECTOR

Mrs. Olufunmilola O Ayebae completed her Professional Secretaries Diploma from The London College of Secretaries in the United Kingdom after which she worked in many organizations in various capacities for a number of years before establishing her own business - Goodness Supermarket in 1995 and served as the Managing Director/CEO for 3 years. She is also the MD/CEO of Townhouse Limited and became a director of Fidson Healthcare Plc in 2001.



Chief (Mrs.) Aisha Sadauki, OON

DIRECTOR

(Chief) Mrs. Sadauki holds a Bsc. Degree in Home Economics with a Major in Community Nutrition from Iowa State University, Iowa USA in 1968. She has attended several courses and seminars on board development evaluation within and outside the country. Chief (Mrs) Sadauki was an accomplished civil servant who rose from the position of Chief Agricultural Officer (State Home Economist) in 1964 to the position of Chief Agricultural Officer (State Home Economist) in 1986. She was appointed Kaduna State Commissioner, Social Development, Youth and Sports in 1988, Commissioner of Education in 1989 and Deputy Governor kaduna State from 1990 to 1992. Chief Mrs Sadauki is a Director of many companies including Zazzau Ginnery Limited, D. A. Sadauki Investments Limited, Hillside Company Limited and MTN Foundation amongst others. She was conferred with Merit Award by Nigerian Veterinary Medical Association of Farmers in 1999 and National Honour of Officer of the Order of the Federal Republic of Nigeria (OON) in 2000.

Board Of Directors



Mr. Olugbenga Olayeye

DIRECTOR, SALES & MARKETING

A Pharmacist educated at Nigeria's premier University- the University of Ibadan and the Stanford Graduate School of Business. He has pursued a career in the pharmaceutical industry since graduation with Fidson Healthcare Plc. He has worked across diverse functions (Sales and Marketing, Business development, Manufacturing, Research and Development and Operations) in the company since inception and has been pivotal in determining her policy direction, strategy execution and has managed organizational change and transformation over the period.

In his present role, he leads a team of over 200 salesmen and has the responsibility to formulate and implement the company's sales and marketing strategies. An exciting person to have on a team, he is committed to team building and development of leadership skills and ability which he believes is the critical requirement for organizational growth and corporate success. As a community leader, he managed change in his neighborhood association with attendant positive results and commendation. He also plays leadership role in his local church and he is committed to the propagation of his Christian faith.



Mr. Biola Adebayo

DIRECTOR, OPERATIONS

Mr Adebayo graduated from the School of Pharmacy, University of Lagos in 1988. He also has a Diploma in Advanced Computer Techniques and Applications (1998) from the University of Ibadan (Consultancy Unit). He worked with the Federal Ministry of Health in Lagos as an intern pharmacist. He began his career with Glaxo Nigeria Plc in April 1991 as a medical representative. He later joined the pharmaceutical division of CAP PLC in July 1994 where he developed his skills and competencies in the sales and marketing of healthcare products and FMCGs.

He started his career with Fidson Healthcare Plc in 1996 and held various positions in the sales and marketing division and rose through the ranks to become the Sales and Marketing Manager in April 2001. In 2004, he became the Sales and Marketing Director, the position he occupied till July 2009. He is currently the Operations Director in the company.

He is a member of the Institute of Directors (IOD). He also completed a top executive leadership programme jointly organized by Nigeria Institute of Management (NIM) and Manchester Business School in Manchester, England, United Kingdom in 2007.

He is an alumnus of the Administrative Staff College of India, Bella-Vista Hyderabad, India; Lagos Business School (CEP19), and IESE Business School, University of Navarra, Barcelona, Spain.



Mr. Olatunde Olanipekun

DIRECTOR, FINANCE

Mr Olanipekun is a 1978 graduate of Economics, specializing in Accounting of the University of Ife (now Obafemi Awolowo University). He became an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN) in November 1981 and a Fellow of the Institute in July 1992. He is also an Associate Member of the Chartered Institute of Taxation of Nigeria. He honed his professional accounting skills in the firm of Peat Marwick, Ani, Ogunde and Co. after which he held several accounting, finance and managerial positions in various companies including Evans Medical Plc where he occupied The position of Finance and Administration Director. He joined Fidson Healthcare Plc in 2005 as Finance Director

He is an alumnus of the Lagos Business School (AMP 7) and Irish Management Institute, Dublin, Ireland.



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Board Of Directors



Mr. Emmanuel Imoagene

DIRECTOR

Mr. Imoagene holds a B.Sc Degree in Business Administration from the University of Benin and Masters in Industrial and Labour Relations (MILR), University of Ibadan. He has attended several management development programmes both locally and abroad including Harvard Business School, USA 2000, Wharton Business School, USA, 2002 and Erasmus University, Netherlands, 2008.

He worked with Shell Petroleum Development Company Limited as Personnel Officer between 1981 and 1985. He joined Nigerian Breweries in 1985 as Brewery Personnel Manager and rose to the position of Personnel Director in 1995. He became Logistic Director in 1999 and Human Resources Director between 2004 and 2008. Mr. Imoagene is currently the Human Resources Director (West Africa) for Cadbury Nigeria Plc.

He is a seasoned and professional corporate leader with diverse private sector experience. An astute administrator and human resources expert, Mr. Imoagene is a fellow of Chartered Institute of Personnel Management of Nigeria. He is a member, advisory board of the Lagos Business School.



Shaping the future

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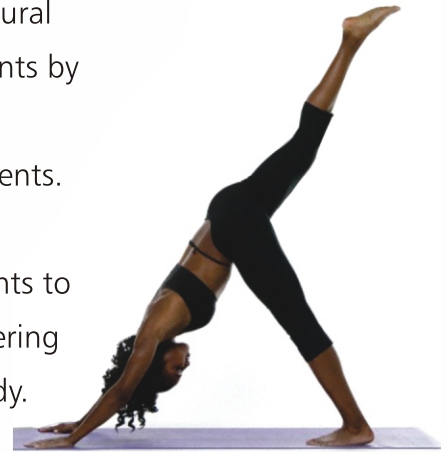
Introducing...

CESTRA

INTELLIGENT NUTRITION SYSTEMS

Cestra formulations are holistic in their design. Learning from nature's example, Cestra takes into account the natural synergies and competition that exists between nutrients by always including complementary nutrients in a formulation to enhance the absorption of key nutrients.

Cestra formulations always include additional nutrients to ensure a product will work without adversely interfering with the metabolism of other nutrients in the body.



CESTRA
Wellness... Naturally.

Marketed In Nigeria by:



...we value life

Report Of The Directors

FIDSON HEALTHCARE PLC
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

1. The directors have pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2012.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of pharmaceutical products. The company commenced manufacturing of pharmaceutical products in July 2002.

3. LEGAL FORM

The company operated as a private limited liability company until June 5, 2008 when it was incorporated as a Public Limited Liability Company. The shares are currently quoted on the Nigerian Stock Exchange.

4. STATE OF AFFAIRS

In the opinion of the directors, the state of the Company's affairs is satisfactory and there has been no material change since the balance sheet date, which would affect the financial statements as presented.

5. RESULT FOR THE YEAR

	2012	2011
	₦000	₦000
Turnover	<u>7,168,939</u>	<u>7,127,853</u>
Profit before taxation	540,080	214,264
Taxation	<u>(333,191)</u>	<u>(158,674)</u>
Profit after taxation	<u>206,889</u>	<u>55,590</u>

6. DIVIDEND

The Directors propose that a dividend of 12k per share (2011: 0.10k) which translates to 180,000,000 (2011: 150,000,000) be paid out of the profit for the 2012 financial year if approved at the Annual General Meeting. Proposed dividend will only be recognised as a liability after approval by shareholders at the Annual General Meeting.

7. MAJOR CUSTOMERS

LAGOS

Ardmonds Nigeria Limited
Bicon Pharmacy
Everdestiny Pharmacy
Moddy Drugs Company Limited
Zest Pharmacy

EAST

Bez Pharmacy
Canez Healthcare Limited
Grams Pharmacy
Ogbuagu Pharmacy



Report Of The Directors

FIDSON HEALTHCARE PLC
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

WEST

Bunmi Pharmaceuticals Ltd.
Fiolu Pharmacy
MassEldo Pharmacy
Tanimola Pharmacy

NORTH

Tony Pharmacy
G.U Pharmacy
Newhealth Pharmacy
Azmu Pharmacy
Simple Pharmacy

8. MAJOR SUPPLIERS

Overseas Suppliers

V.S. International India
TIL Exports Pvt Limited India
Gland Pharma Ltd. India
Capsugel (Belgium)
Hindustan National Glass Industries Ltd.
Oriental Containers Ltd., India
MJ Biopharm Pvt. Ltd
Themis Medicare Ltd.
Ocean Health and Medicare Pvt Ltd
Medinomics Healthcare Pvt Ltd.
Trade Niger Impext Pvt Ltd.
Long Range Europe Ltd.

Local Suppliers

Libra Circle Ltd.
Knightsbridge Ltd.
Glorious Haven Ltd.
Benchmark Sciences Ltd.
Khushbu Sciences Ltd.
Fiyique Venture Ltd.
Plural Dynamics
Bates Pharm Ltd.
SAB Nigeria Ltd.
Micabolad Global Investment
Fiktalinks International Nig. Ltd
Sankil Pharm Ltd.

9. DIRECTORS

The names of the directors at the date of this report and of those who held office during the financial year are as follows:

Mr. Felix A. O. Ohiwerei
Dr. Fidelis A. Ayebae
Emeritus Prof. Oladipo O.Akinkugbe
Mrs. Olufunmilola O. Ayebae
Mr. Olugbenga O. Olayeye
Mr. Abiola A. Adebayo
Mr. Olatunde B. Olanipekun
Mr. Emmanuel E. Imoagene
Mrs. Aisha P. Sadauki

Chairman
Managing Director/Chief Executive Officer
Non-Executive
Non-Executive
Executive
Executive
Executive
Non-Executive
Non-Executive



Report Of The Directors

FIDSON HEALTHCARE PLC
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

10. DIRECTORS' INTERESTS

Directors' interests in the issued share capital of the company are as follows:

	Numbers of Shares (2012)	Numbers of Shares (2011)	%
Mr. Felix O. A. Ohiwerei (Multiharvest Ltd.)	32,644,623	32,644,623	2.18
Dr. Fidelis A. Ayebae	446,534,443	446,169,760	29.77
Emeritus Prof. Oladipo O.Akinkugbe	6,253,165	6,253,165	0.42
Mrs. Olufunmilola O. Ayebae	64,220,000	64,220,000	4.28
Mr. Olugbenga O. Olayeye	12,144,027	12,144,027	0.81
Mr. Abiola A. Adebayo	11,084,406	11,084,406	0.74
Mr. Olatunde B. Olanipekun	12,773,004	11,363,004	0.85
Mr. Emmanuel E. Imoagene	4,000,000	4,000,000	0.27
Mrs. Aisha P. Sadauki	-	-	-
Indirect interest Glorious Haven Ltd –on behalf of Dr. Fidelis A. Ayebae	86,120,000	85,120,000	5.74

11. BOARD OF DIRECTORS

In accordance with the provisions of Section 259 of the Companies & Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, one third of the directors of the Company shall retire from office. The directors to retire every year shall be those who have been longest in office since their last election. Accordingly, Dr F.A. Ayebae, Mrs A. P. Sadauki, and Mr A.A. Adebayo retire by rotation and being eligible, offer themselves for re-election.

12. DIRECTORS' INTEREST IN CONTRACTS

None of the directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria of any disclosable interest in contracts with which the Company is involved as at 31 December 2012.

13. SUBSTANTIAL INTEREST IN SHARES

The registrar has advised that according to the Register of members as at 31 December 2012, only Dr. Fidelis Ayebae with ordinary shares 446,534,443 of 50k each held more than 5% of the issued share capital of the Company.

14. DONATIONS

The Company made donations amounting to N11,064,900 (2011: N30,884,922) to charitable organisations and societies during the year as follows:-

	2012 #	2011 #
Religious Organisations	1,854,900	5,160,000
Hospitals/Health Institutions	9,210,000	25,724,922
	<u>11,064,900</u>	<u>30,884,922</u>

Report Of The Directors

FIDSON HEALTHCARE PLC
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

15. EVENTS AFTER REPORTING PERIOD

There are no material post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31 December 2012.

16. ANALYSIS OF SHAREHOLDERS

Analysis of shareholdings as at 31 December 2012.

Range	No. of Holders	%	Units
1 - 50,000	4,445	83	57,133,677
50,001 - 100,000	355	6	28,118,924
100,001 - 1,000,000	480	9	142,688,669
1,000,001 and above	98	2	1,272,058,730
	-----		-----
	5,378		1,500,000,000
	=====		=====

17. EMPLOYMENT AND EMPLOYEES

A. Employment of disabled Persons

It is the Company's policy that there is no discrimination in considering applications for employment including those from disabled Persons. All employees whether or not disabled are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. No disabled person was in the employment of the Company as at 31 December 2012.

B. Welfare

The company has retainership agreement with a number of private hospitals to whom cases of illness are referred for treatment and/or admission.

The company provides subsidy to employees in respect of transportation, lunch, housing and healthcare. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonus, promotions and wage review.

C. Training

The company attaches great importance to training and all categories of staff attend courses or seminars as considered necessary by the company's management.

18. AUDIT COMMITTEE

Pursuant to Section 359(3) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Company has in place an Audit Committee comprising directors and shareholders, namely:

Emeritus Prof. Oladipo O.Akinkugbe	Directors' Representative	(Chairman)
Alhaji Sarumi Abdulkabir	Shareholders' Representative	
Mr. Olufemi F. Oduyemi	Shareholders' Representative	
Mr. Solomon S. Akinsanya	Shareholders' Representative	
Mrs. Olufunmilola O. Ayebae	Directors' Representative	
Mr. Olugbenga O. Olayeye	Directors' Representative	



Report Of The Directors

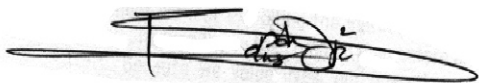
FIDSON HEALTHCARE PLC
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

The functions of the audit committee are laid down in Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of Federal Nigeria 2004.

19. AUDITORS

Ernst & Young have expressed their willingness to continue in office as the Company's auditors in accordance with the provision of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. A resolution will be proposed to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD



J. ABAYOMI ADEBANJO (FRC/2013/ICSAN/00000002161).
COMPANY SECRETARY
30 April, 2013

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we value life

Corporate Governance Report

From year to year at FIDSON HEALTHCARE PLC we continue to review our corporate governance policies. This year, we have adopted the three Ps model of Corporate Governance, that is:

PEOPLE

Our stakeholders are at the centre of our Corporate Governance practices. Demands of our stakeholders whether directly or indirectly impacting our operations are constantly considered and promptly attended to. In this area of our operations are robust Corporate Social Responsibility policies, remuneration and motivation schemes that are second to none in the industry and concern for our end users. We realize that our shareholders are important and all efforts were made throughout the year to reach out to them in a bid to ensure amicable shareholder-management relationship.

PRICES

Our pricing policies are geared towards optimizing our resources for continued growth and development without exploiting the market. We have continued to consider the general inflationary trend and affordability to the common man before arriving at our prices.

PLANET

Because we value lives, our operations are conducted in a way that minimises negative externalities. At the heart of this is our robust policy on Health, Safety and Environment (HSE). Obsolete equipment is disposed off in order to allow for recycling. Expired drugs are also destroyed under the supervision of regulators and each time this is done a Certificate of Destruction is obtained from the relevant Government Agency. We have imbibed best practices and ethical standards in all our dealings.

OUR CORPORATE GOVERNANCE PLATFORM

Our corporate governance strategy and initiatives are geared towards complying with the Securities and Exchange Commission's Corporate Governance Code and maintaining an amicable relationship with the various stakeholders on which our continued existence rely. Our second approach to Corporate Governance is to use the doctrines of good governance to engender sustainability of our operations.

We have continued to subject our operations to periodic examinations and audit by independent auditors which include current Good Manufacturing Practice (cGMP) and National Agency for Food and Drugs Administration and Control (NAFDAC). Each audit/examination report is made the subject for consideration by a committee headed by an executive director for proper review and implementation.

Overseen by the Board of Directors, corporate governance practices are constantly under review, in line with the dynamics of the business environment. The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the company's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

The day-to-day affairs of the company are run by the Executive Management Committees. Each executive committee is headed by an executive director who reports to the Board of directors on the activities of their respective committee.

In line with Section 32 of the Corporate Governance Code, a standard procedure for reporting any form of misdemeanor either by staff or any of our key/strategic business associates is put in place to ensure the sanity of our operations and enhance reliance on key operational supports. This is considered important in order to ensure overall sustainability of our business.

The framework for our corporate governance is hinged on:

1. Code of Corporate Governance issued by SEC in 2011.
2. Various Standard Operations manual and ISO compliance requirements
3. Provisions of the Companies and Allied Matters Act, 2004



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4. The listing rules of the Nigerian Stock Exchange as well as Securities and Exchange Commission's rules.
5. Good Manufacturing Practice.

BOARD COMMITTEES

In line with the requirements of Corporate Governance code, the following committees, in addition to the statutory audit committee are in place. Members of the committee were carefully selected by the Chairman in a way that ensures objectivity and independence. The committees are as follows:

S/N	NAME OF COMMITTEE	MEMBERS
1	Nomination Committee	Prof. O. O. Akinkugbe (Chairman) Mr. E. E. Imoagene Mrs. A. P. Sadauki
2	Remuneration Committee	Mr. E. E. Imoagene (Chairman) Mrs. O. O. Ayebae Mrs. A. P. Sadauki Mr. O. B. Olanipekun
3	Finance And General Purpose Committee	Prof. O. O. Akinkugbe (Chairman) Dr. F. A. Ayebae Mr. O. O. Olayeye Mr. A. A. Adebayo Mr. O. B. Olanipekun
4	Credit Control Committee	Mr. O. B. Olanipekun (Chairman) Mr. O. O. Olayeye Mr. A. A. Adebayo Two other Senior Management staff

The Company Secretary acts as secretary to all Board Committees.

COMMITTEES' TERMS OF REFERENCE

The terms of reference for all the committees are in line with the provisions of the Corporate Governance Code 2011 and best practices. The Committee's terms of reference in summary are as follows:

- 1. Nomination Committee:** The committee's main responsibility is to assist the Board in developing policies to fill any vacancy on the board however occasioned and to ensure at all times that competence gaps are closed so that the company is not short of the required skills. In doing this, the committee considers the need to attract, motivate and retain suitably qualified individuals to the Board. The mode of operations of the Committee is in line with Section 13 of the Corporate Governance Code, 2011.
- 2. Remuneration Committee:** The responsibility of the committee is mainly to recommend a competitive remuneration package for the executive management and the Board. In doing this, the committee considers the need to maintain both internal and external competitiveness. It is also the responsibility of the committee to ensure that remunerations paid to the employees of the company are adequate and commensurate to performance.



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3. Finance and General Purpose committee: The committee assists the Board in ensuring that the company's strategic initiatives and objectives are translated into actions and processes. In doing this, the committee:

- (a) reviews and appraises all investment decisions;
- (b) appraises all capital expenditure requests;
- (c) assists the board to appraise the viability and feasibility of all new projects; and
- (d) reviews the financial position of the company from time to time.

4. Credit Control Committee: The committee assists the Board in the monitoring, reviewing and the administration of the credit policy.

These four committees meet as the need arises to discharge their functions.

THE BOARD

Frequency of meetings:

The Board of Directors holds at least 4 (four) meetings in each financial year. Each meeting is scheduled to receive quarterly operating results among other reports on the company's operations. All matters reserved for the Board are duly considered and resolved. These include consideration and approval of budgets, major capital expenditures, corporate strategy; review of policies on internal risk management review of performance and generally direct the affairs of the company's operations.

Attendance at Board meetings during the year under review was impressive. In line with Section 258 (2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the record of Directors attendance at Board meetings is available at the annual general meeting for inspection.

Responsibilities of the Board of Directors:

It is the responsibility of the Board of Directors to:

1. Ensure that the company's operations are conducted in a fair and transparent manner that conforms with high ethical standards,
2. Ensure the integrity of the company's financial and internal control policies,
3. Ensure the accuracy, adequacy and timely rendition of the statutory returns and financial reports to the regulatory authorities, namely, The Nigerian Stock Exchange (NSE), Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), National Agency for Food and Drug Administration and Control (NAFDAC) and shareholders through the Company Secretary.
4. Ensure value creation for the shareholders, employees and other stakeholders,
5. Review and approve corporate policies, strategies, annual budgets and business plans,
6. Monitor implementation of policies and strategic direction of the company,
7. Set performance objectives, monitor implementation and corporate performance
8. Review and approve all major capital expenditure of the company
9. Ensure that the statutory rights of all stakeholders are protected at all times and
10. Institute appropriate mechanism for measuring adherence by management to all regulations.

Information Flow To The Board

The executive management ensures that the board received adequate information on a timely basis. Board papers are circulated at least two weeks before every board meeting.

As part of the Board's resolve to ensure adequate compliance with and to engender good corporate governance, at every board meeting Corporate Governance Report is presented by the Company Secretary for consideration by the Board. This way, the Board is constantly kept abreast of the regulatory, statutory and ethical requirements expected of listed companies in Nigeria.

Corporate Governance Report

Board Charter

In order to ensure good governance is engendered in the company, the Board is run by a Charter which amongst other things make provisions concerning:

- Frequency of Board meetings
- Process for adoption and circulation of board minutes
- Disclosure of interest
- Guidelines for ensuring integrity and independence of directors.
- Commitment to comply with the Corporate Governance Code.

Board Evaluation And Appraisal

The board has decided to adopt the peer review methods for the evaluation of directors.

THE AUDIT COMMITTEE

In accordance with section 359 (3) of the Companies and Allied Matters Act, Cap C20 LFN 2004, the audit committee is made up of six (6) members, three representatives of the shareholders and three representatives of the Board of directors.

Members of the audit committee are elected at the annual general meeting. The committee was engaged maximally in all aspects of its responsibility as stipulated by the law. In addition, the committee was encouraged to take on other assignments that may be of benefit to the company. Current members of the committee are as follows:

1. Emeritus Professor Oladipo O Akinkugbe	(Chairman)	4. Alhaji Abdulkabir B Sarumi	Shareholder
2. Mr. Olugbenga O. Olayeye	Director	5. Mr. Femi Oduyemi	Shareholder
3. Mrs. Olufunmilola O. Ayebae	Director	6. Mr. Solomon S Akinsanya	Shareholder.

ATTENDANCE OF BOARD MEMBERS AND AUDIT COMMITTEE MEMBERS AT MEETINGS DURING THE TWELVE MONTHS ENDED 31ST DECEMBER 2012

BOARD MEETINGS					
	04-04-12	09-08-12	18-10- 12	15-11-12	%
Mr. F. O. A. Ohiwerei	✓	✓	✓	✓	100
Dr. F. A. Ayebae	✓	✓	✓	✓	100
Prof. O. O. Akinkugbe	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	✓	✓	✓	X	75
Mr. O. O. Olayeye	✓	X	✓	✓	75
Mr. A. A. Adebayo	✓	✓	✓	✓	100
Mr. O. B. Olanipekun	✓	✓	✓	✓	100
Mr. E. E. Imoagene	✓	✓	X	✓	75
Mrs. A. P. Sadauki	✓	✓	✓	✓	100
AUDIT COMMITTEE					
	04-02-12	03-04-12	30-07- 12	17-10-12	%
Prof. O. O. Akinkugbe	✓	✓	✓	✓	100
Mrs. O. O. Ayebae	X	✓	✓	✓	75
Mr. O. O. Olayeye	✓	✓	X	✓	75
Alhaji A. B. Sarumi	✓	✓	✓	✓	100
Mr. Femi Oduyemi	✓	✓	✓	✓	100
Mr. S. S. Akinsanya	✓	✓	✓	✓	100

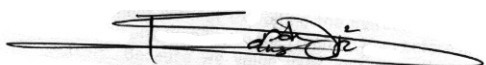
Corporate Governance Report

REMUNERATION COMMITTEE

	04-02-12	%
Mr. E. E. Imoagene	✓	100
Mrs. O. O. Ayebae	✓	100
Mrs. A. P. Sadauki	✓	100
Mr. O. B. Olanipekun	✓	100

Our corporate governance practice is based on principles of mutual benefit, responsible product stewardship, tolerance and good corporate conduct.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE: The Company complied with the 2011 Code of Corporate Governance for public company during the year under review.



J. ABAYOMI ADEBANJO
COMPANY SECRETARY
FRC/2013/ICSAN/00000002161

Statement Of Directors Responsibility

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2012.

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Company and of its financial performance for the year.

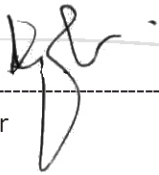
The responsibilities include ensuring that the Company:

- keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and International Financial Reporting Standards;
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and compliance with the Financial Reporting Council Act No 6 2011

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial performance for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

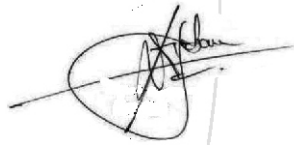
Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Director

FRC/2013/ICAN/0000000#2163

30 April, 2013



Director

FRC/2013/CIANG/0000000#2376



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Audit Committee Report

TO THE MEMBERS OF FIDSON HEALTHCARE PLC

In accordance with provision of Section 359(6) of the Companies and Allied Matters Act, CAP C20, Laws of Federation of Nigeria, members of the Audit Committee of Fidson Healthcare Plc report as follows:-

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and we acknowledge the co-operation of the management and staff in the conduct of these responsibilities.

We confirm that:

- a) The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practice.
- b) The scope and planning of the external audit are in our opinion adequate
- c) The internal control system was in order
- d) The external Auditors' management letter comment was satisfactorily dealt with by management.



Chairman, Audit Committee
Emeritus Prof. Oladipo O. Akinkugbe

Members of the Committee:

Alhaji Sarumi Abdulkabir
Mr. Olufemi F. Oduyemi
Mr. Solomon S. Akinsanya
Mrs. Olufunmilola O. Ayebae
Mr. Olugbenga O. Olayeye

30 April 2013

Section 1
Introduction

Section 2
The Board

Section 3
Financials

Section 4
Proxy Form



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