

# **BUILDING VALUABLE AND SUSTAINABLE BUSINESSES**

We are a holding company focused on delivering superior returns through disciplined capital allocation and operational improvement across our businesses.

Our businesses are in attractive growth sectors and benefit from strong market positions, established brands and wide distribution.











4 strategic partnerships



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# UACN IS A HOLDING COMPANY WITH SOME OF NIGERIA'S MOST ADMIRED BRANDS AND WIDEST DISTRIBUTION

**Brands** 

# **Agro-Allied**











# Packaged Food and Beverages









#### **Paints**













# Quick Service Restaurants







# **FIVE PILLARS FOR VALUE CREATION**



**People** – We believe that people are our greatest asset and invest in attracting, retaining, developing, managing, and rewarding talented individuals across our businesses.



**Capital** – We work with our subsidiaries and associate companies to allocate capital in a manner that maximises risk-adjusted returns. We have set an expected return threshold of 25%.



**Technology** – We believe that technology is a powerful tool for improving productivity and seek to drive continuous improvement across our most important processes.



**Sustainability** – We are conscious that our businesses operate in the context of the broader environment and are committed to improving ESG practices across the UACN Group.

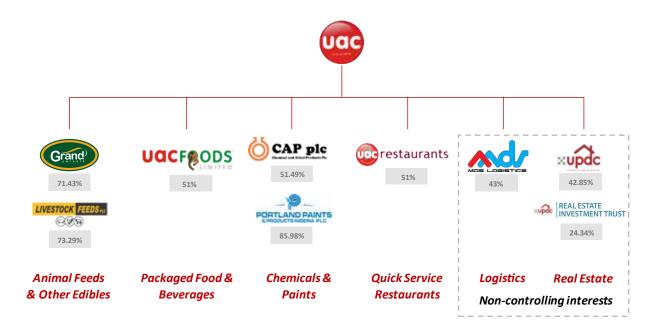


**Governance and Controls** – We believe that good governance is at the core of enduring businesses. At UACN, we are committed to exercising proper oversight over our subsidiary and associate companies. Key focus areas include well-constituted boards of directors and fully implemented enterprise resource planning systems.

#### CORPORATE PROFILE

UAC of Nigeria PLC (UACN) is one of Nigeria's oldest institutions with history dating back to 1879.

Today, UACN is a holding company with interests organised around four key verticals - Animal Feeds and Edible Oils, Packaged Food and Beverages, Paints and Quick Service Restaurants. We also own interests in a leading logistics services provider, a real estate development company, and a real estate investment trust.



Our businesses are in attractive growth sectors and benefit from strong market positions, established brands and wide distribution. Our aim is to generate attractive long-term, risk-adjusted returns for our shareholders by growing our businesses into market leaders in their respective segments. We take a long-term view which enables us add meaningful and sustainable value to each of our businesses.

Through our various businesses, UACN has meaningful domestic manufacturing presence with eleven (11) manufacturing facilities and several logistics and distribution hubs across the country. We employ over two thousand individuals across our businesses.

UACN has six subsidiaries and three associate companies operating in six sectors.

#### **Animal Feeds and Other Edibles**

We have two subsidiaries in the animal feeds and other edibles segment with production and distribution capabilities across Nigeria. We view our participation in this sector as an opportunity to invest in and contribute to Nigeria's growing agricultural sector in a value accretive manner. Our long-term strategy is focused on a disciplined approach to drive return on invested capital.

Our subsidiaries are Grand Cereals Limited ("GCL") and Livestock Feeds PLC ("LSF")

Grand Cereals Limited (71.43% ownership) is a leading producer of cereals, edible oils, poultry feed, fish feed, ruminant feed and dog food. The company has production and distribution facilities in Northern and South Eastern Nigeria. It owns a portfolio of strong brands including Grand, Vital, and BestMate.

Livestock Feeds PLC (73.29% ownership) produces and distributes animal feeds, feed concentrates and full fat soya. The company recently expanded its offering to include veterinary drugs. Livestock Feeds' geographic strength is in South West Nigeria. Brands include Livestock Feeds and Aquamax. The company is listed on The Nigerian Exchange Limited ("NGX").



#### **Paints**

We operate through two companies in the paints segment, Chemical and Allied Products PLC ("CAP") and Portland Paints and Products Nigeria PLC ("Portland Paints"). Our investment in the paints sector is aimed at harnessing growth opportunities. Key growth drivers include rising urbanisation, which will drive growth in the decorative paints sub-sector; and increased industrialization, supporting growth in the industrial paints and coating sub-sector.

CAP (51.49% ownership) is the leading player in the premium paints segment, is the sole technology licensee for AkzoNobel's decorative range in Nigeria. Brand portfolio includes Dulux and Caplux. The company benefits from a unique distribution model - franchised retail outlets, which it pioneered in Nigeria's paint industry. CAP is listed on NGX.

Portland Paints (85.98% ownership) is a distributor for Hempel's industrial products in Nigeria. It also manufactures and markets decorative and industrial paints under its own brand Sandtex. Portland Paints is listed on NGX.

CAP and Portland Paints are in the process of a business combination via a merger. Completion is subject to receipt of final regulatory approvals.

#### **Packaged Food and Beverages**

UACN's presence in the packaged food and beverage industry is through UAC Foods Limited ("UFL") which focuses on capturing the opportunity presented by a young, growing and increasingly urban population.

UFL (51% ownership) UFL is a leader in the snacks, dairy and spring water segments in Nigeria. It owns iconic brands including Gala, Funtime, Supreme and SWAN. It has production facilities in the South West and North Central regions of Nigeria and a broad distribution network that ensures a strong market presence nationwide.

Our investment in UFL is a joint venture with Tiger Brands Limited, South Africa's largest food company. Tiger Brands owns a 49% equity stake in UFL.

#### **Quick Service Restaurants**

UAC Restaurants Limited ("UACR") is a quick service restaurant ("QSR") business in Nigeria with a national footprint. UACR manages a network of Quick Service Restaurants across Nigeria under the Mr Bigg's and Debonairs Pizza brands. The business is positioned to benefit from rising urbanisation and "on-the-go" living. Capturing value in this sector will entail dedicated long-term investments.

Famous Brands, Africa's largest QSR operator acquired a 49% stake in UACR in 2013.

UACR owns the Mr Bigg's brand and is a Master Franchisee for Debonairs Pizza which is owned by Famous Brands.

#### Logistics

Logistics management underpins economic activity and is a key component of success across industries. As the industry continues to rapidly adopt technology and evolve operating models, our focus is on ensuring we continue to add value to our customers.

MDS Logistics Limited (43% ownership) is a leading logistics services provider in Nigeria. The company offers the complete suite of outbound logistics and supply chain services including Warehousing, Haulage and Distribution. Imperial Logistics, a global logistics player owns a 57% equity stake in MDS Logistics.

#### Real Estate

UACN has a non-controlling interest in a real estate development company, UACN Property Development Company PLC ("UPDC") (42.85% ownership). UPDC has a deep development track record across multiple segments including retail, commercial, residential and hospitality. The company is listed on NGX.

For more information visit www.uacnplc.com







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# **RESULTS AT A GLANCE**

	Group			Company		
	2020 N'000	2019 N'000	% change	2020 N'000	2019 N'000	% change
Revenue	81,357,960	79,202,140	3	758,447	758,761	(0)
Operating profit/(loss)	3,597,309	5,666,413	(37)	(3,497,470)	(667,349)	424
Net finance income	550,220	1,789,846	(69)	1,435,793	2,641,095	(46)
Profit/(loss) before tax	5,120,845	7,456,259	(31)	(2,061,677)	1,973,746	n/m
Income tax expense Profit/(loss) after tax for the year from	(1,662,581)	(2,110,943)	21	(413,909)	(489,599)	15
continued operations Profit/(loss) after tax for the year from	3,458,264	5,345,316	(35)	(2,475,586)	1,484,147	n/m
discontinued operations	469,662	(14,601,729)	n/m	-	-	-
Profit/(loss) for the year Other comprehensive income/(loss) for	3,927,926	(9,256,413)	n/m	(2,475,586)	1,484,147	n/m
the year net of tax  Total comprehensive income/(loss) for	230,814	(1,229)	n/m	159,354	(1,229)	n/m
the year net of tax	4,158,740	(9,257,642)	n/m	(2,316,232)	1,482,918	n/m
Total equity	61,371,865	60,541,412	1	37,167,070	39,771,431	(7)
Total equity and liabilities	92,166,559	107,595,263	(14)	46,679,401	48,987,189	(5)
Cash and cash equivalents Earnings/(loss) per share (kobo) -	24,272,314	23,891,135	2	14,803,765	8,126,164	82
Basic Dividend per share (kobo) - Proposed/	92	(183)	n/m	(86)	52	n/m
actual NSE quotation as at December 31	120	10	1100	120	10	1100
(kobo)	725	860	(16)	725	860	(16)
Number of shares in issue ('000)  Market capitalisation as at December	2,881,296	2,881,296	-	2,881,296	2,881,296	-
31 (N'000)	20,889,396	24,779,146	(16)	20,889,396	24,779,146	(16)



#### **CHAIRMAN'S STATEMENT**

Distinguished Shareholders, Ladies, and Gentlemen,

On behalf of the Board of Directors, it is my great pleasure to welcome you to the 2021 Annual General Meeting of UAC of Nigeria PLC.

I would like to start by offering our heartfelt condolences to all those whose lives have been affected by the COVID-19 pandemic and in particular to those who have lost loved ones during this difficult period. I wish you and your families good health and urge you to remain vigilant.

Despite the pandemic and related factors that negatively impacted our operating environment, the business of UAC of Nigeria PLC ("UACN" or the "Company") and its subsidiaries showed resilience and we remain confident in the long-term success of our Company.

In this year's letter to our shareholders, I provide an overview of the economic landscape, progress we made in our strategic initiatives, as well as key leadership changes. I conclude the letter with thoughts on the year ahead and a vote of thanks to our key stakeholders.

#### Review of 2020

The year 2020 began on an optimistic note as the world anticipated improved relations between the United States of America (USA) and China and clarity on Britain's exit from the European Union (EU). There was a material deterioration to the outlook when on 30th January 2020, the World Health Organisation (WHO) declared COVID-19 to be a public health emergency of international concern. Ensuing events materially impacted the global economy.

To mitigate the spread of the pandemic. governments across the world imposed stringent restrictions on the movement of people and goods. The resultant

production and supply chain disruptions, as well as impediments to trade and business activity, triggered a severe contraction in economic output with the World Bank estimating the global economy contracted by 4.3% in 2020, the deepest recession since the second world war.



There were coordinated responses by governments across the world, involving approximately \$12 trillion in fiscal stimulus, including emergency spending, tax deferrals and sovereign guarantees. Central banks across the world deployed approximately \$7.5 trillion in monetary policy interventions, including steep interest rate cuts. According to the International Monetary Fund (IMF), 60% of central banks reduced their benchmark rates below 1% while 20% held interest rates below 0%. These actions helped cushion the economic impact of the pandemic and support a recovery.

#### Oil market crisis

Reduced travel and lower economic activity resulted in downward pressure on crude oil prices, which was exacerbated by a price war between two of the world's leading oil producers, Saudi Arabia and Russia. The

price of brent crude oil declined from an average of \$64 per barrel (\$/bbl) in January, reaching negative territory for the first time in recorded history on April 20 as concerns over storage capacity compounded the supply/demand

imbalance. In response, the Organisation of the Petroleum Exporting Countries (OPEC) and its partners agreed to substantial coordinated international supply cuts,

the remainder of the year.

reducing crude oil production by 9.7 million barrels per day in May and June, then by 7.7 million barrels per day for

headwinds related to the COVID-19 pandemic. the **Group returned** to profitability in 2020 and we remain confident in the long-

term success of our

Company

In spite of significant

Oil prices rebounded, trading above \$40 bbl for the last seven months of the year following compliance with production cuts, as well as, optimism regarding the prospect of COVID-19 vaccines. In Nigeria, the budget benchmark price of \$57 bbl was reduced to \$30 bbl in June, reflecting significantly lower revenue expectations, particularly from crude oil. Crude oil prices

continued to rebound, with the price of brent crude averaging \$50 by the end of the year.

#### Global equity markets

Global equity markets suffered their sharpest-ever decline, with the MSCI World Index falling 34% from a peak on February 12 to trough on March 23. Markets recovered at a record pace, reaching new all-time highs by September and eventually ending the year up 14%. The sharp rebound in equity markets was supported by fiscal and monetary interventions by governments and central banks which resulted in low interest rates, access to financing for businesses and supplemented household incomes.

## Nigeria operating landscape

As with most other countries around the world, Nigeria's economy was severely impacted by COVID-19, with deterioration across key indices. Economic activity was further impacted by the protests in October which resulted in curfews in key commercial centers.

#### **Economic growth**

The Federal Government of Nigeria (FGN) implemented measures to curb the spread of the pandemic including restrictions to movement, curfews, enforced social distancing, as well as, partial and complete border closures. These important and timely initiatives constrained domestic economic activity. In addition, the steep decline in oil prices affected government revenues and foreign exchange earnings. As a consequence, Nigeria entered its second recession in five years, with gross domestic product (GDP) contracting 6.1% and 3.6% in the second and third guarters of 2020 respectively.

With pressure on oil and non-oil revenue, the FGN executed important reforms including value added tax (VAT) increases, the temporary removal of fuel subsidies, and electricity tariff increases.

Overall, GDP growth for the year was negative 1.92%, compared with the 2.3% growth recorded in 2019.

#### **Exchange rate**

Foreign reserves declined 7.3% from \$38.1 billion in January to \$35.3 billion in December, on account of lower oil revenues and reduced capital flows.

In response, and to alleviate the sustained pressure on the Naira, the Central Bank of Nigeria (CBN) launched a series of interventions and adjusted the official exchange rate upward three times; from \$307/\$1 to \$360/\$1 in March, to \$380/\$1 in August, and to \$390/\$1 in December.

#### Monetary policy

The CBN took action aimed at stimulating economic activity through an expansion of credit to the private sector and reducing borrowing costs. The base monetary policy rate (MPR) was reduced by a total of 200 basis points to 11.50%, to drive economic growth by encouraging lending to critical sectors.

#### Inflation

Despite low aggregate demand, inflation trended higher throughout 2020, on account of supply chain disruptions, foreign exchange depreciation and liquidity challenges, border closures, and monetary policy easing. Headline inflation rose for every month in 2020, from 12.0% in December 2019 to 15.75% in December 2020.

#### Fiscal policy

At the top of the fiscal policy agenda was the Finance Act 2019 which sought to reform the domestic tax regime in line with global best practice, by promoting fiscal equity, introducing tax incentives for infrastructure and capital markets, supporting small businesses, and increasing government revenue. On 31st December 2020, President Muhammadu Buhari signed the Finance Act 2020 into law.

#### Capital markets

Equity market performance was volatile, impacted by negative economic growth and pandemic induced headwinds. The Nigerian Stock Exchange All share index ("NSE ASI"), declined by over 23% in April, but recovered and rallied to become one of the best performing stock markets globally, rising by 50% in 2020. This outperformance was supported by improved investor sentiment towards equities as a result of relatively attractive valuations and the sustained low interest rate environment and lower yields in fixed income securities.

# **UACN's strategic initiatives**

The most important strategic initiative completed over the course of the year 2020 was the sale of a 51% stake in UACN Property Development Company PLC. (UPDC) to Custodian Investment PLC. (Custodian). Concluding the



deconsolidation of UPDC from UACN became a priority for UACN following UACN's decision to exit the real estate sector in 2019 and we are pleased with the outcome. UACN received net cash proceeds of \(\mathbb{\text{N}}6.6\) billion and retains a 43% stake in UPDC with a market value of \(\mathbb{\text{N}}6.5\) billion. In addition, and as part of the partial exit, UACN received 649 million units in UPDC Real Estate Investment Trust (UPDC REIT) with a market value of \(\mathbb{\text{N}}3.6\) billion.

#### Governance

In 2020, our subsidiary and associate companies continued efforts to strengthen governance and management. These are articulated in the Segmental Performance Report on pages 24 to 26 of this annual report.

## Leadership changes

At UACN, there were two notable changes to the executive management team. Mr. Ibikunle Oriola resigned from his position as Group Finance Director in December 2020 and, also in December and after 23 years of service to UACN, we said farewell to Mr. Godwin Samuel upon his retirement. We wish both Kunle and Godwin all the best in the years ahead and thank them for their contributions to the Company.

Following Kunle's resignation and Godwin's retirement, the Board appointed Mrs. Funke Ijaiya-Oladipo as Group Chief Financial Officer and Ms. Nkem Agboti as Company Secretary with effect from 10<sup>th</sup> December 2020 and 1<sup>st</sup> January 2021 respectively. Funke is an experienced finance professional and served as UACN's Head of Investor Relations prior to her appointment. Nkem has close to two decades of experience in the practice of business law. She is an accredited mediator, and well-rounded in corporate affairs. I wish them success in their new roles.

# **Financial performance**

I am pleased to report that after two consecutive years of losses, we returned to profitability in 2020 in spite of significant headwinds related to the COVID-19 pandemic. Our businesses suffered operational disruptions, muted demand and rising input costs resulting in margin pressure. Recovery in the second half of the year was impacted by ENDSARS protests with related disruptions to

We have a clear strategy to generate sustainable shareholder value, and are cautiously optimistic as we look ahead

economic activity. Through focus and on account of our organisational resilience, we navigated these challenges and delivered a profit.

#### Highlights of the Group performance for the period

#### **Dividend**

The Board is recommending an ordinary dividend of 65 kobo per share in respect of the 2020 financial year as well as a special dividend of 55 kobo per share.

#### Our commitment to our communities

In more than a century of operations, UACN has embraced its reputation as a good corporate citizen, with responsibility for helping address social and economic challenges in our host communities.

Our Corporate Social Responsibility (CSR) initiatives across the Group in 2020 focused on alleviating the effects of the COVID-19 pandemic on our communities.

We made meaningful financial contributions, donated face masks and face shields, provided water and relief packs, consisting of food and basic hygiene products, to economically vulnerable communities and those most affected by the lockdown. We also provided meals for the COVID-19 isolation centre in Victoria Island, Lagos.

Details of our CSR activities are presented on pages 60 - 61 of this annual report.

#### 2021 outlook

The impact of COVID-19 has been widespread and, in many aspects, devastating. Unfortunately, the effects of the pandemic have continued in 2021. In spite of the challenging outlook, we are cautiously optimistic about UACN's prospects on account of the recent investments we have made in people, processes, brands, technology, manufacturing and distribution.

Our focus remains on executing growth strategies for our businesses in order to generate sustainable value for our shareholders. We will also explore acquisitions that accelerate growth whilst improving risk-adjusted returns.

## **Appreciation**

On behalf of the Board of Directors, I wish to thank the management and staff of our Company for their contributions during a difficult year in which we faced unprecedented challenges. I would also like to extend our profound appreciation to our valued customers and partners for their patronage.

Lastly, I wish to thank you, our esteemed and loyal shareholders, for your continued support over the years.

I wish you good health and all the best in the year 2021.

**Dan Agbor** Chairman

FRC/2013/NBA/0000001748



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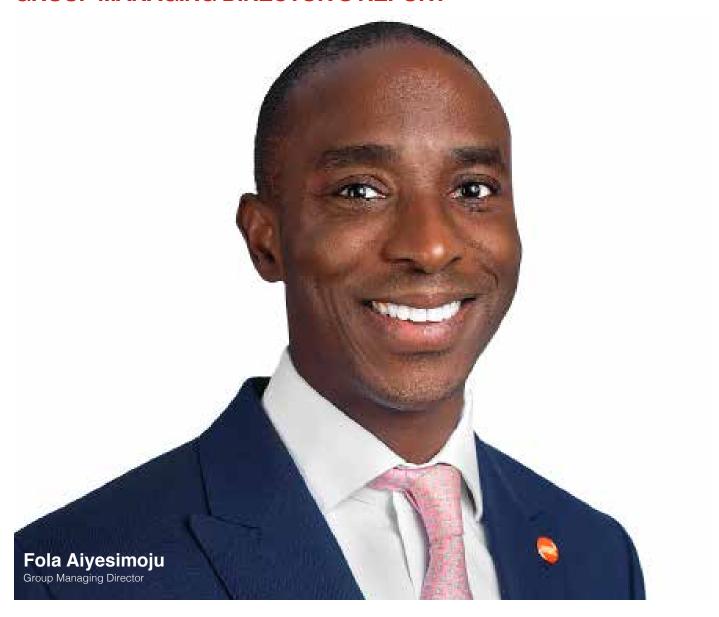
This is our promise to deliver.







## **GROUP MANAGING DIRECTOR'S REPORT**



Dear Shareholders,

Welcome to the 2021 Annual General Meeting of UAC of Nigeria PLC ("UACN" or the "Company") at which we will present your Company's operational and financial performance for the year ended 31 December 2020.

I hope that you and your loved ones are safe and healthy. 2020 was an unprecedented year, largely on account of the COVID-19 pandemic, a healthcare and humanitarian crisis with severe macro-economic implications. The impact of the pandemic resulted in economic headwinds that persisted for most of the year, and material changes to the operating landscape for businesses.

UACN is a holding company with interests in four operating platforms – (i) Agro-allied (ii) Packaged Food and Beverages (iii) Paints; and (iv) Quick Service Restaurants. We also have non-controlling interests in Real Estate and

Logistics businesses. Our aim is to generate attractive long-term, risk-adjusted returns for our shareholders by growing our businesses into market leaders in their respective segments.

We remain focused on five pillars for value creation (i) People (ii) Capital Allocation (iii) Governance and Controls (iv) Sustainability; and (v) Technology. These pillars are relevant across business in our portfolio and complement underlying growth strategies being implemented in our respective businesses.

## **UACN's strategic initiatives**

In the 2020 financial year, we focused on three key strategic initiatives:

- Executing a partnership as regards UACN Property Development Company PLC ("UPDC");
- 2. Completing the sale of a controlling interest in MDS Logistics Limited ("MDS Logistics"); and
- 3. Supporting the consolidation of Chemical and Allied Products PLC ("CAP") and Portland Paints and Products Nigeria PLC ("Portland Paints").

#### **UPDC** partnership

An important strategic initiative we concluded over the course of the year 2020 was the sale of a 51% stake in UPDC to Custodian Investment PLC ("Custodian"). Custodian is one of Nigeria's leading investment companies and is well positioned to drive value at UPDC.

In 2019, we indicated our intention to unbundle our interest in UPDC to our shareholders with the key motivation being

the differences between UPDC and the rest of our operating platforms. Over the course of implementing the planned unbundling, we entered into discussions with Custodian which we assessed relative to the proposed unbundling.

The board of directors determined that the sale of a majority stake in UPDC to Custodian presented superior value to the unbundling as it achieved our objective of ceding control of a business we classified as noncore and at the same time resulted in UPDC benefiting from a strong anchor shareholder, Custodian, which improves its prospects for future value creation, from which UACN will benefit

via its retained stake. My colleagues and I are pleased with this outcome and look forward to working with Mr. Wole Oshin and the team at Custodian in delivering on the value creation thesis for UPDC.

As part of its exit, UACN received N6.6 billion in cash proceeds, and 649 million units in the UPDC Real Estate Investment Trust ("UPDC REIT"). UACN now holds a 24.34% stake in UPDC REIT which was classified as

an investment in an associate in our 2020 financial statements. In 2021, UACN's Board of Directors resolved to recommend a proposed unbundling of the UPDC REIT units to the shareholders of UACN. This initiative is conditional on the receipt of regulatory and shareholder approvals and is expected to be completed in 2021.

#### Sale of a controlling interest in MDS Logistics

A key theme for us for the last 24 months has been supporting initiatives to reduce complexity and sharpen focus on core operating platforms. In 2020, in addition to the above mentioned initiatives relating to UPDC, we completed the sale of a controlling interest in our logistics business, MDS Logistics, to our partner Imperial Logistics Limited.

#### **Merger of CAP and Portland Paints**

In line with our ambition to simplify the Group, our paints subsidiary companies, CAP and Portland Paints, announced their intention to merge their respective businesses with CAP being the surviving entity. The combination, which will streamline UACN Group's structure, is expected to create a leading paints and coatings company on account of its combined brand

portfolio – Dulux, Sandtex, Caplux and Hempel and diversified product range spanning decorative and marine segments. The respective minority shareholders of both companies approved the merger at separate court-ordered meetings on 18 February 2021 and final regulatory approvals were received in March 2021. Completion of the merger is subject to the sanction of the Federal High Court, expected in 2021.

UAC's objective is to generate attractive long-term, risk-adjusted returns for our shareholders. I am delighted that the Board approved N7.1 billion in capital returns to shareholders via a mix of dividends and REIT units

# Proposed employee share scheme

Our long-term growth and sustainable success hinges on our ability to attract and retain talent. To this end,

we are proposing important changes to the remuneration structure of our people in 2021. The overarching objective is to link employee reward to long-term value creation. The scheme is designed to promote entrepreneurial behaviour, reward employees based on value created, and promote share ownership among executives through a requirement to invest in UACN shares. This encourages executives to act as owners rather than managers.



Key elements of the scheme include:

- One-off plan covering a five-year period;
- Total shareholder return ("TSR") is the key measure
  of success with a minimum threshold of 18% per
  annum; Should this return be delivered, an incentive
  pot equal to 10% of the value created will be set aside
  for distribution to participants and;
- All employees of the Company are to participate in the scheme.

Further information on the scheme can be found in the Notice of 2021 Annual General Meeting on pages 28 - 36 of this annual report.

#### **Group operations**

In 2020, we invested in our core information technology infrastructure and productivity tools and migrated to a cloud-based IT platform.

Our philosophy is that good controls are achieved via robust systems. We are in the process of implementing a group-wide refresh of our enterprise resource planning system from an on-premise platform to cloud based SAP S/4 Hana. Expected benefits from this investment include operational efficiency, visibility and controls into business value drivers across the Group, and improvement in productivity. This exercise is expected to be completed in 2022.

Both of these initiatives in IT and systems entail one-off investments but are expected to yield long-term benefits.

# **Group governance**

The key changes in board of directors and leadership of UACN subsidiary and associate companies are outlined in the Segmental Performance Report on pages 24 - 26 of this annual report. The changes at the boards of UACN's subsidiary and associate companies were primarily aimed at aligning the composition of the board to reflect ownership structure.

# Corporate social responsibility

UACN has a long-standing reputation and commitment to our communities and doing business responsibly. In the fight against the pandemic, UACN dedicated time and resources towards ensuring the well-being of those at the front lines as well as the vulnerable and less privileged members of society.

For each subsidiary and associate company, corporate social responsibility has a particular meaning which relates to the company's operations and impact. The corporate social responsibility (CSR) section of the Sustainability Report (pages 60 - 61) sets out the initiatives undertaken by UACN Group companies during the year in review.

#### **Review of FY 2020 Group performance**

In 2020, the Group returned to profitability after two consecutive years of losses. We focused on executing our strategy, implementing initiatives relating to UPDC, significantly reducing leverage, strengthening management, and improving business resilience. Our efforts resulted in net income of ₩3.9 billion in 2020.

Revenue grew 2.7% Year on Year ("YoY") to \\$\text{\tex

Adjusting for non-recurring income in 2019 from the sale of non-core real estate assets (\text{\text{\$\text{\$\text{\$\text{\$}}}}}631 \text{ million}) and the writeback of statute barred unclaimed dividend (\text{\text{\$\text{\$\text{\$\text{\$\text{\$}}}}}2020 \text{ operating profit declined 25.8% YoY to \text{\text{\$\text{\$\text{\$\text{\$\text{\$}}}}3.6 \text{ billion in 2020 versus \text{\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$}\text{\$\text{\$}}\$}}}.

Underlying Profit before Tax was 23% lower YoY at ₹5.1 billion in 2020 on account of lower operating profit and steep decline in net finance income (-6% YoY) as a result of lower investment income yields compared to the prior year. The decline in net finance income was offset by the share of profit of associates of ₹973 million earned from MDS Logistics and UPDC, largely attributable to a non-cash, mark to market increase in the fair value of UPDC REIT.

Overall, we recorded net income of \(\frac{\text{\tilde{\text{\texi}\text{\text{\text{\text{\text{\text{\text{\texi}\tilin{\text{\text{\text{\text{\text{\text{\ti

Total assets of the Group declined 14.3% to \$\frac{\text{N9}}{2.2}\$ billion on account of changes in net assets of disposal group held for sale, as a result of the sale of a controlling stake in MDS and UPDC. Consequently, MDS and UPDC are now classified as investments in associates. In December 2020, UACN received 649 million units of UPDC REIT,

representing a 24.34% stake, and valued at \(\frac{\text{\text{\text{\text{\text{\text{\text{\text{stake}}}}}}{1000}}{1000}\). UPDC REIT was classified as an investment in an associate in our 2020 financial statements. In 2021, UACN's board of directors resolved to recommend a proposed unbundling of the UPDC REIT units to UACN's shareholders, as such, UPDC REIT has been classified as "held for distribution" in our statement of financial position.

Total debt reduced to \$\frac{1}{2}\text{4.2 billion in 2020 from \$\frac{1}{2}\text{6.4 billion in 2020 from }\frac{1}{2}\text{6.4 billion in 2020 from }\f

2019, largely driven by the repayment of ₩1.9 billion in borrowings by the Animal Feeds and Other Edibles businesses. Deleveraging was in line with risk mitigation initiatives at the onset of the COVID-19 pandemic when the economic outlook was unclear.

Total cash increased marginally by 1.6% to  $\aleph$ 24.3 billion in 2020 from ₩23.8 billion in 2019. The Group generated net cash of ₩1.3 billion from operating activities. Net cash from investing activities was \U21111.2 billion. Capital expenditure including investments in a site for a new factory as well as production and cold chain distribution for the Packaged Food and Beverages segment of \(\mathbb{H}\)3.6 billion offset net proceeds of N4.6 billion from the disposal of controlling stakes in subsidiary companies MDS and UPDC, and the Group earned

₩1.1 billion interest income in 2020. Net cash flow from financing activities was negative \(\frac{\text{\text{\text{\text{\text{\text{times}}}}}{2.2}}{1.2}\) billion on account of repayment of long-term financing.

#### 2021 Outlook

Over the last 12 months, we faced a recession, civil unrest, and significant changes to the way we work as a result of the COVID-19 pandemic. In spite of these challenges we executed our key priorities and returned the Group to profitability.

In 2021, we aim to build on these initiatives and deliver on our growth aspirations. Each of our subsidiary and associate companies has a clear set of initiatives aimed at achieving growth in revenue and profitability in 2021.

Our focus remains on creating shareholder value and we will continue to prioritise growth, scale and simplicity to achieve this. Underpinning our efforts is our commitment to attracting and retaining the strongest possible

> management teams. We will also explore acquisitions as an avenue to accelerate growth.

> I am excited that we are unlocking value for our shareholders via a special dividend, as well as, the unbundling of UPDC REIT units which, if approved sanctioned by the court, will see UACN's shareholders become direct

Over the last 12 months. we faced a recession. civil unrest, and significant changes by regulators, shareholders to the wav we work due to the COVID-19 pandemic. In spite holders of units in UPDC REIT. of these headwinds.

#### **Appreciation**

I thank all of my colleagues across the Group for their courage, sacrifice, and dedication in navigating complexity in 2020.

To our shareholders, thank you for your trust in our team and your unwavering support over the years. We remain

focused on increasing value to you as well as continuing to contribute to our community.

I hope the year 2021 year brings much needed stability and a respite from the pandemic.

we executed our key

priorities, implemented

initiatives relating to

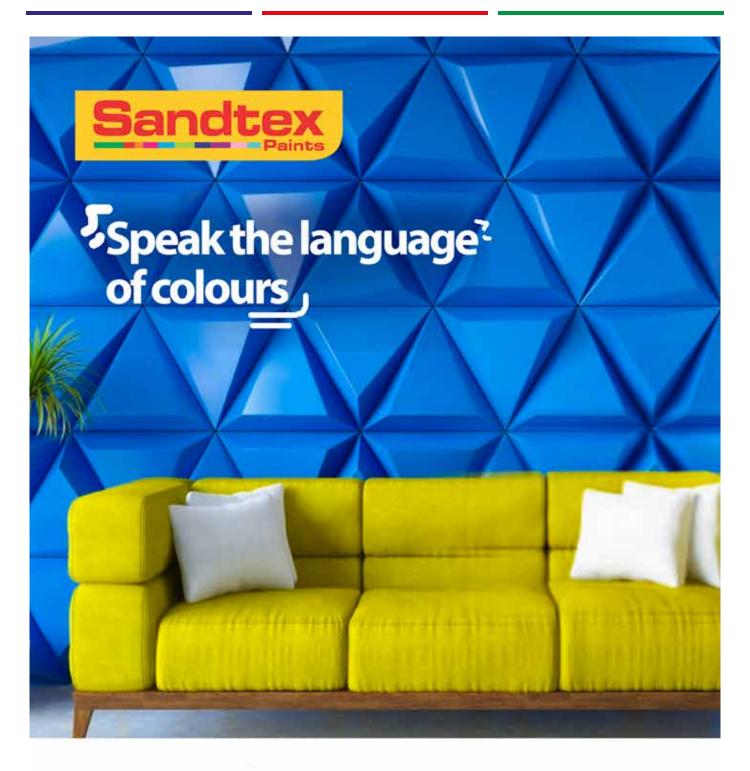
**UPDC.** strengthened

management, and

returned the Group to

profitability

Fola Aiyesimoju Group Managing Director FRC/2019/IODN/00000019806



With over **15,000 colours** to pick from, let's explore the world of colours together and unlock new colours with Sandtex Paints.





#### SEGMENTAL PERFORMANCE REPORT

#### **Animal Feeds and Other Edibles**

Revenue for this segment increased 4.6% to \$54.2 billion (2019: \$51.8 billion). Price increases across major categories to offset higher input costs, as well as volume growth, contributed to the 17.7% increase in YoY EBIT to \$2.1 billion (2019: \$1.8 billion).

The segment recorded a 76.6% increase Profit before Tax in 2020 of ₩1.7 billion, against ₩990 million in 2019. PBT margin increased by 131 bps from 1.9% in 2019 to 3.2% in 2020. Margin expansion was supported by lower financing costs following efforts by management to optimise financing.

Our near-term priorities for this segment entail optimising the business model to improve the return on invested capital. This includes increasing capacity of the higher margin edibles segment that offers higher returns. We aim to significantly improve our distribution coverage, route to market and availability of our feed and edibles products.

#### **Board Changes at Grand Cereals and Livestock Feeds**

At Grand Cereals Limited, Mr. Joe Dada, a long serving ex-UACN executive resigned from the board and Mr. Fola Aiyesimoju, UACN's Group Managing Director filled the casual vacancy.

In December 2020, Mr. Godwin Samuel resigned from the board of Livestock Feeds PLC following his retirement from UACN. Mrs. Bolarin Okunowo was appointed to fill the casual vacancy in April 2021.

#### **Paints**

#### Paints strategic initiatives

On 26 October 2020, UACN's subsidiary companies in the paints sector, Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (Portland Paints), announced their intention to merge their respective businesses with CAP being the surviving entity. The decision to merge was driven by both companies ambitions to grow and expand within Nigeria and regionally.

The respective boards and management of CAP and Portland Paints expect the proposed merger to be value accretive to stakeholders of both companies. The combination is expected to create a leading paints and coatings company on account of its combined brand portfolio – Dulux, Sandtex, Caplux and Hempel, its diversified product range spanning decorative and marine, as well as, the broadest distribution channels and retail footprint in Nigeria.

The respective minority shareholders of both companies approved the merger at separate court-ordered meetings on 18 February 2021 and final regulatory approvals were received in March 2021. Completion of the merger is subject to the sanction of the Federal High Court, expected in 2021.

#### Financial performance

The Paints segment reported revenue contraction of 5.4% YoY to ₩10.4 billion in 2020. The decline in revenue was on account of the categorization of the segment as "non-essential" with the attendant COVID-19 related restrictions particularly in April and May 2020; the equivalent of losing seven weeks of sales.

Near-term priorities for the Paints segment are the successful integration of CAP and Portland Paints as well as growing volumes and market share by focusing on deepening retail penetration and expanding the product range organically and through acquisitions.

#### **Board changes at CAP and Portland Paints**

At Portland Paints, Mrs. Bolarin Okunowo, an experienced investment and finance executive, with over 16 years' experience across various disciplines, was appointed Managing Director in March 2020. Mrs. Okunowo resigned from the board of directors of CAP to enable her adequately focus on her role at Portland Paints.

Dr. Vitus Ezinwa, UACN's Chief Operating Officer, joined Portland Paints board of directors as a non-executive.

## **Packaged Food and Beverages**

The Packaged Food and Beverages segment grew 1.8% YoY in 2020 with revenues of №17.9 billion (2019: №17.5 billion). Lower volumes in the snacks category on account of restrictions to the movement of people and goods and the partial shutdown of markets to curtail the spread of COVID-19 in the second quarter of the year, were offset by higher volumes in water and ice cream categories, as well as increased sales in the snacks category in the fourth quarter due to increased marketing efforts. Operating profit increased by 13.3% to №1.4 billion (2019: №1.2 billion) on account of lower operating costs. Profit before Tax declined by 12.0% to №1.4 billion on account of lower finance income.

The near-term focus is on continuing to build on 'gala' the market leader in its space, growing market share in dairy, expanding capacity in the water segment and investing in efficiency improvements. As such, ₩3.6 billion was invested in production capacity and cold chain distribution in 2020.

#### **Quick Service Restaurants**

The business recorded a \$\text{\text{\$\text{\$\text{\$\text{\$48}}}}\$ million operating loss in FY 2020 as a result of higher cost of sales and operating costs. UAC Restaurants recorded a \$\text{\text{\$\tex{\$\}\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\tex

We have worked with our partner, Famous Brands, to evaluate the business and have decided to focus on investing in company-owned restaurants.

#### **Board changes at UAC Restaurants**

Mr. Debola Badejo was appointed to the board of directors of UAC Restaurants Limited as a non-executive director in February 2020 and subsequently appointed Managing Director with effect from 1 April 2021 following the retirement of Mrs. Joan Ihekwaba.

# Associates: Real Estate (UACN Property Development Company PLC)

#### Real Estate strategic initiatives

UPDC completed two significant initiatives aimed at strengthening the company's capital structure and unlocking value for shareholders via improved strategic focus.

#### A. Recapitalisation via rights issue

In April 2020, UPDC successfully raised \(\frac{\text{

# B. Streamlining to unlock shareholder value and increase UPDC REIT free float

In December 2020, UPDC completed a capital reorganisation via a scheme of arrangement to unbundle its interest in UPDC Real Estate Investment Trust (UPDC REIT) to its shareholders. The unbundling increased free float and liquidity in the REIT units. Post the restructuring, free float increased from 38.2% to 41.7% and the total number of UPDC REIT unitholders increased by approximately 27,500 to c. 28,900.

UACN, as one of UPDC's shareholders, received 649 million UPDC REIT units and now holds a 24.34% stake in UPDC REIT. These units were valued at N3.57 billion as at 31st December 2020.

#### Financial performance

UPDC's 2020 revenue was ₩1.7 billion, 22.9% lower than 2019 as a result of the challenging operating environment exacerbated by the ongoing pandemic. Revenue declined on account of lower sales of properties at ₩1.3 billion compared to 2019 of ₩1.7 billion (-24.8%), lower rental income and management fees at ₩96 million compared to 2019 of ₩167 million (-42.3%). UPDC recorded an operating loss of ₩713 million in 2020, an improvement compared to operating loss of ₩1.3 billion in 2019.

The company incurred net finance costs of №1.5 billion (-43.4% lower YoY) and recorded a provision for a First Festival Mall loan guarantee of №940 million. The fair value gain of №2.9 billion, earned on the Company's asset disposal group held for sale narrowed UPDC's Loss before Tax to №263 million in 2020, an improvement of 98.4% against a №16.2 billion Loss before Tax in FY 2019.

**Accounting treatment:** UPDC was classified an investment in associate following UACN's sale of a controlling stake in UPDC to Custodian Investment PLC in November 2020.

#### Board and leadership changes at UPDC

Upon completion of the sale of a controlling stake in UPDC to Custodian Investment PLC, the board of directors of UPDC changed to reflect the new ownership structure. The Chairman, Mr. Babatunde Kasali, and three non-executive directors, Mr. Adekunle Awojobi; Professor Okon Ansa; and Mrs. Awuneba Ajumogobia, resigned from UPDC's board with effect from 4th January 2021. On the same date, Mr. Fola Aiyesimoju resigned as Managing Director of UPDC; he continues to serve as a non-executive director on UPDC's board.

Custodian representatives, Mr. Wole Oshin and Mr. Adeniyi Falade, were appointed to the board as Chairman and non-executive director respectively. Mrs. Deborah Nicol-Omeruah was appointed as Acting Chief Executive Officer of UPDC. Substantive Chief Executive Officer, Mr. Odunayo Ojo, was appointed with effect from 3<sup>rd</sup> May 2021.

# Associate: Logistics (MDS Logistics Limited)

MDS Logistics' 2020 revenue increased 40.3% YoY to ₩8 billion from ₩5.7 billion driven by increase in demand for haulage services. Operating profit increased 15.9% YoY to №875 million (2019: №755 million) resulting in operating profit margin of 11% in FY 2020, a 231bps compression compared to the prior year on account of higher cost of sales. Profit before Tax of №388 million in FY 2020 was 44.8% lower than FY 2019 (№703 million) as a result of increased finance costs incurred on a loan to fund recent capital expenditure to support the haulage business. Profit after Tax was №289 million in FY 2020.

The near-term focus is to grow by expanding MDS into a full-service logistics provider providing inbound and outbound freight, facilitating import and export; broadening warehousing and distribution capabilities to a wider range of industries; as well as last mile logistics such as parcel delivery and facilitating e-commerce.

#### Leadership changes at MDS Logistics

In 2020, Mr. Taiwo Ajibola, retired as Managing Director of MDS Logistics. Mr. André Bresler was appointed Managing Director of MDS Logistics in November 2020. André is an experienced professional whose most recent role was the Managing Director of FedEx Express in South Africa.



Our network of 51 distribution centres across Nigeria and over 200 vehicles, links our clients with their numerous customers in over 400 cities and villages.



Plot 32, Kudirat Abiola Way, Oregun, Lagos | www.mdslogistics.net Tel: (+234) 704 059 8992 | email: info@mdslogistics.net

#### **NOTICE OF 2021 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of UAC of Nigeria PLC ("UAC" or the "Company") will hold at 12th Floor, UAC House, 1-5 Odunlami Street, Lagos on Wednesday, June 30th 2021 at 10am to transact the following business:

#### **ORDINARY BUSINESS**

- To lay before members the Audited Financial Statements of the Company for the year ended December 31st, 1. 2020, and the Reports of the Directors, Auditors, and Statutory Audit Committee thereon;
- 2. To declare a dividend;
- 3. To disclose the remuneration of Managers of the Company;
- To re-elect Mr. Daniel Agbor and Mr. Bolaji Odunsi as Directors; 4.
- 5. To approve the appointment of KPMG Professional Services as the Company's External Auditors in place of the retiring External Auditor (Ernst & Young);
- To authorise the Board of Directors to fix the remuneration of the External Auditor; and 6.
- 7. To elect members of the Company's Statutory Audit Committee.

#### **SPECIAL BUSINESS**

- To approve N106, 580, 296.33 (One Hundred and Six Million Five Hundred and Eighty Thousand Two Hundred 1. and Ninety Six Naira Thirty Three Kobo) as the remuneration of the Non-Executive Directors of the Company;
- To renew the general mandate for recurrent transactions with related parties as explained in note 11 of this 2. notice:
- To pass the special resolution set out in note 12 of this notice, approving the Long-Term Incentive Plan for 3. employees, proposed by the Board of Directors as described in the notes to this notice; and
- To consider and if thought fit, approve the following resolution as a special resolution of the Company: "That the 4. Articles of Association of the Company be and are hereby amended by the insertion of the following new article as Article 14: 'Acquisition by the Company of its own shares: Subject to compliance with all applicable laws and regulations, the Company may purchase any of its fully paid shares."

Dated this 1st Day of June 2021

BY ORDER OF THE BOARD

**NKEMDIRIM AGBOTI** Company Secretary 1

<sup>1</sup> The Financial Reporting Council of Nigeria (FRC), through a letter dated 15 January 2021, granted a waiver which allows the Company Secretary to sign the company's audited financial statement for year ended December 31, 2020 and interim financial statements for the year 2021 without indicating any FRC registration number with the certification.





## **NOTES**

#### 1. ATTENDANCE AND VOTING BY PROXY

In order to curb the spread of Covid-19, the convening and conduct of this Annual General Meeting ("AGM" or "Meeting") shall be by proxy in line with the Corporate Affairs Commission's ("CAC's") Guidelines on holding Annual General Meetings by Public Companies using Proxies. Only persons indicated to be selected as proxies on the Proxy Form shall attend the Meeting physically. All other Shareholders may attend the Meeting online and vote at the Meeting through a proxy. In view of the foregoing, the approval of the CAC was obtained for the Annual General Meeting to be held by proxy. A proxy may be selected from any of the following individuals (the "Selected Proxies"):

Mr. Daniel Agbor

 Mr. Folasope Aiyesimoju
 Mrs. Babafunke Ijaiya-Oladipo

 Chairman, Board of Directors

 Group Managing Director
 Group Chief Financial Officer

Mr. Matthew Akinlade Shareholder

The Selected Proxies shall attend the Meeting and vote on their own behalf as well as on behalf of Shareholders who select them as proxies. The Selected Proxies are encouraged to comply with relevant public health advice in order to protect the health of others. Shareholders other than the Selected Proxies can attend the meeting and participate in proceedings online via real-time streaming options, details of which have been included in this notice. Proxy Forms shall be sent to the registered email addresses of Shareholders and will also be available online at **www.africaprudential.com** and **www.uacnplc.com**. Duly executed Proxy Forms must be lodged at the office of Africa Prudential PLC, as shown on the Proxy Form, not less than 48 hours before the time appointed for the Meeting.

#### 2. STAMPING OF PROXY FORMS

UAC has made arrangements at its cost for the stamping of duly completed and signed proxy forms submitted to its Registrars within the stipulated timeline.

#### 3. LIVE STREAMING OF THE ANNUAL GENERAL MEETING

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

#### 4. RE-ELECTION OF DIRECTORS

In accordance with the provisions of UAC's Articles of Association, the Directors to retire by rotation at the 2021 Annual General Meeting are Mr. Dan Agbor and Mr. Bolaji Odunsi. The retiring Directors, being eligible, offer themselves for re-election. The profiles of the Directors retiring by rotation are available in the Annual Report and on UAC's website at **www.uacnplc.com**.

#### 5. STATUTORY AUDIT COMMITTEE

In accordance with section 404(6) of the Companies and Allied Matters Act, 2020 ("CAMA"), any shareholder is entitled to make nominations from among shareholders for appointment to the Statutory Audit Committee. Such nominations should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Nominations can be sent to the Company Secretary physically at our head office, 12th Floor, UAC House, 1-5 Odunlami Street, Lagos, or electronically at **info@uacnplc.com**. Kindly note that by virtue of the provisions of the CAMA, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly, and be knowledgeable in

#### **2020 ANNUAL REPORT**

internal control processes. In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees. The profiles of all nominees will be accessible at https://www.uacnplc.com/investors/events-presentations/ from June 9<sup>th</sup>, 2021.

#### 6. DIVIDEND

The Board of Directors recommends the payment of an ordinary dividend of 65 kobo per ordinary share; and a special dividend of 55 kobo per ordinary share. If the dividend recommended by the Board of Directors is approved by Members, the dividend will be paid to shareholders whose names appear in the Register of Members at the close of business on Monday June 14<sup>th</sup>, 2021, subject to withholding tax. Shareholders who have completed e-Dividend Mandate Forms will receive a direct credit of the dividend into their bank accounts on Thursday July 1<sup>st</sup>, 2021 or shortly thereafter. For the e-dividend mandate form, go to http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form\_2018.pdf.

#### 7. CLOSURE OF REGISTER

The Register of Members will be closed from Tuesday June 15th, 2021 to Monday June 21st, 2021 (both days inclusive) to enable the Registrar to prepare for payment of dividends.

#### 8. UNCLAIMED DIVIDENDS

Shareholders who are yet to claim previous dividends are hereby advised to download and complete the Registrar's E-Dividend Mandate Activation Form, and submit it to the Registrars at Africa Prudential PLC, 220B Ikorodu Road, Palmgrove, Lagos State, or their respective Banks for the purpose of claiming their outstanding dividends. A list of Shareholders who are yet to claim previous dividends as of March 1<sup>st</sup>, 2021 is available on the Company's Website at **www.uacnplc.com**.

#### 9. E-DIVIDEND MANDATE

Shareholders are requested to update their records and advise Africa Prudential PLC of their updated records and relevant bank accounts for the payment of their Dividends. The forms for e-dividend payment, Unclaimed Dividends, and data update can be downloaded from UAC's website at **www.uacnplc.com** or from Africa Prudential PLC's website at **www.africaprudential.com**. The duly completed forms should be returned physically to Africa Prudential PLC at 220B, Ikorodu Road, Palmgrove, Lagos State, or electronically to Africa Prudential PLC at **CXC@Africaprudential.com**.

#### 10. E-ANNUAL REPORT

The electronic version of UAC's 2020 Annual Report is available at **www.uacnplc.com**. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the physical electronic copy of the Annual Report are required to make a request to this effect via email to **CXC@Africaprudential.com**.

#### 11. RECURRENT TRANSACTIONS WITH RELATED PARTIES

UAC operates a group structure with subsidiaries and associate companies. By virtue of the group structure, there are routine intercompany and intra-group transactions that occur throughout the year. UAC specifically seeks to promote efficient financial management, with the holding company granting working capital support facilities to subsidiary and associate companies and vice versa in furtherance of optimal treasury management. Transactions are carried out on arm's length terms and conditions subject to compliance with the applicable laws and regulations.



#### 12. LONG-TERM EMPLOYEE INCENTIVE PLAN ("LTIP")

UAC's objective is to generate attractive long-term, risk-adjusted returns for shareholders. To address this, we have implemented initiatives aimed at reducing complexity and sharpening focus on core operating platforms to create value.

In 2020, the UAC Group returned to profitability and the Board of Directors (the "Board") approved ₩7.1 billion in capital returns to shareholders, totalling ₩2.47 per share or a 28.3% return at market value at the time of the announcement.

Going forward, creating shareholder value remains the focus of the Board, and management aims to continue to prioritise growth, scale, and simplicity to achieve this. Management has a clear plan to create value for shareholders focused on three levers, to wit, Return of Capital, Operating Platform Growth, and Acquisitions.

In support of this strategy, UAC's Board believes that the time is right to introduce a new remuneration strategy and LTIP using the Value Creation Plan ("VCP") model to ensure UAC attracts, retains and motivates talented managers with the mindset of owners. Of crucial importance is the need for employees to think and plan for the long term. To this end, the Company engaged the services of PricewaterhouseCoopers LLP UK to review UAC's remuneration policy, and provide advice to the Board on a new remuneration policy that supports the Board's ambitions and management's need to retain and motivate key talent.

In designing an LTIP that addresses the above challenges the Board followed five key remuneration principles, i.e.:

The remuneration structure should:

- 1. provide an appropriate incentive to focus management on delivering exceptional performance linked to the shareholder experience;
- 2. reward management based on value created and the achievement of key strategic milestones;
- 3. promote entrepreneurial behaviours;
- 4. be palatable to shareholders and aligned with governance standards; and
- 5. ensure that executives act as "owners" of the business rather than "managers".

With these principles in mind the Board is proposing an LTIP that aligns the interests of executives and shareholders over a five-year period, with performance measured by the management team's ability to maximise the enterprise value of UAC.

The Board believes that by focussing the management team on the single aim of maximising the enterprise value of UAC, direct alignment between the management team's and shareholders' goals will be created. Cognisant of ensuring pay for performance alignment, the LTIP is structured such that there will be no pay-out for average performance, but only for exceptional performance, at which point the participants in the plan will be entitled to a share of the value they have created.

#### **Value Creation Plan**

A Value Creation Plan ("VCP") has been designed to incentivise employees to deliver exceptional returns for shareholders over a five-year period (the "Performance Period"). Under the VCP, participants will receive [(in the form of ordinary shares in the Company ("Shares")] a proportion of the value delivered for shareholders over a five-year period, provided that the Company delivers a minimum total shareholder return ("TSR") of 18% per annum. Should this return be delivered, an incentive pot equal to 10% of the value created will be set aside for distribution to participants.

#### Eligibility

Selection of employees to participate in the VCP is at the discretion of the Board. Currently all employees of the Company (including Executive Directors) are anticipated to participate in the VCP. Participation in the VCP will be supervised by the Board through the Governance and Remuneration Committee of the Board (the "GRC").

#### **Participation rights**

Under the VCP, the Board of the Company may grant an eligible employee a right (a "Conditional Award") to receive a proportion of the Company's total shareholder return if a threshold TSR (the "Threshold TSR") is achieved. The Threshold TSR will be an 18% compound annual growth rate. If the Threshold TSR is achieved, the Participant Benefit will be calculated and will be available for distribution to participants. The proportion to which the participant is entitled (the "Participation Rate Percentage") will be set at the time the Conditional Award is granted.

#### The "Participant Benefit" means:

- 1. on the first conversion of the relevant Conditional Award, the difference between the market capitalisation on the first Measurement Date plus any dividends or distributions made during the period between the Conditional Award date and the first Measurement Date, less the initial market capitalisation;
- 2. for any conversion after the first Conversion of the relevant Conditional Award, the difference between the market capitalisation on the relevant Measurement Date plus any dividends or distributions made during the period since the last Measurement Date, less the market capitalisation on the last Measurement Date,

multiplied by 10 per cent and further multiplied by the Participation Rate Percentage.

Conditional Awards may be granted during the 42 days beginning on the occurrence of any of the following events: a) the date the Plan stands approved by both the shareholders of the Company and the Securities and Exchange Commission; or b) the day after the announcement of the Company's results, including a preliminary announcement, for any period; or c) the day the share capital of the Company is increased and new equity is raised; or d) any day on which the Board determines that circumstances are sufficiently exceptional to justify the making of the Conditional Award at that time; or e) the day after the lifting of any Dealing Restrictions which prevented the making of a Conditional Award during any of the times described above.

A Conditional Award may not be made when prevented by any Dealing Restrictions; or after the fifth anniversary of the shareholders' approval of the VCP.

At the time the Conditional Award is granted, the Board will set the dates by reference to which the value of the Conditional Award will be measured for each year of the performance period. These dates will normally be the 30 days following the announcement of the Company's results for each financial year in the performance period (the "Measurement Date"). Following each Measurement Date, the Conditional Award will convert into a nil cost option with the number of Shares subject to the nil cost option to be determined in accordance with the following steps:

The Board shall determine the number of Shares subject to a Nil Cost Option to be granted to an Award Holder in accordance with the following method:

- 1. For each Measurement Date, calculate the measurement TSR for the relevant Measurement Date.
- 2. The Conditional Award shall only convert if the measurement TSR for the relevant Measurement Date meets or exceeds the Threshold TSR;
- 3. If the condition in paragraph 2 above is met, calculate the Participant Benefit for the purposes of the conversion.
- 4. The participant shall on conversion be entitled to the grant, on the conversion date for the relevant Measurement Date or as soon as practical thereafter, of a nil cost option over the number of Shares which equates to the Participant Benefit divided by the measurement share price for that Measurement Date, rounded down to the nearest whole Share.
- 5. At the relevant conversion date, if on the conversion of the Conditional Award the number of Shares to be granted to the participant under the nil cost option (when aggregated with the number of Plan Shares under any nil cost options granted on any previous Conversion Dates and which have not lapsed) shall exceed 10% of the issued share capital of the Company, the Board shall reduce the number of Shares subject to the nil cost option accordingly.



#### Form of awards

The Board may deliver awards either as nil-cost options over Shares or equivalent rights. No awards may be granted when prevented by any dealing restrictions.

#### Vesting and exercise of awards

Nil cost options will vest as follows:

- 1. For each nil cost option granted on the first Measurement Date of the relevant Conditional Award:
  - a. the nil cost option shall vest over 50 per cent of the Shares subject to the nil cost option on the date on which the nil cost option was granted; and
    - b. the remaining 50 per cent of the Shares subject to the nil cost option which did not vest under paragraph a above shall vest on the third Measurement Date of the relevant Conditional Award; and
- 2. For each nil cost option granted on the second Measurement Date of the relevant Conditional Award:
  - a. the nil cost option shall vest over 50 per cent of the Shares subject to the nil cost option on the date on which the nil cost option was granted; and
  - b. the remaining 50 per cent of the nil cost option which did not vest in paragraph a above shall vest on the third Measurement Date of the relevant Conditional Award; and

For each nil cost option granted on or after the third Measurement Date of the relevant Conditional Award, the nil cost option shall vest over all of the Shares subject to the nil cost option on the date the nil cost option is granted.

Any vesting of an award described above is subject to the discretion of the Board to vary the level of vesting, where it considers that the formulaic vesting would not be a fair and accurate reflection of business performance, the participant's personal performance, and such other factors as the Board may consider appropriate.

Awards structured as nil-cost options may normally be exercised during the period from vesting until the tenth anniversary of the grant date of the Conditional Award.

#### **Plan limits**

The aggregate number of Shares over which nil cost options may be granted under the VCP shall not exceed 10% of the Company's issued share capital from time to time.

Awards which have lapsed or have been renounced will not count towards the limits set out above.

#### Malus and clawback

Under the rules of the VCP, the Board may, in its absolute discretion, invoke malus and/or clawback provisions at the time of conversion of a Conditional Award or vesting of a nil cost option (or at any time before) if the Board determines there have been exceptional circumstances. These circumstances may include (without limitation) any one or more of the following:

- 1. Discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any UAC Group member.
- 2. The assessment of any performance target or condition in respect of a Conditional Award or nil cost option was based on error, or inaccurate or misleading information.
- 3. The discovery that any information used to determine the number of Shares subject to a nil cost option was based on error, or inaccurate or misleading information.
- 4. Action or conduct of the participant occurs or is discovered which in the reasonable option of the Board, amounts to fraud or gross misconduct.
- 5. Events or behaviour of the participant have led to the censure of a UAC Group member by a regulatory authority or have had a significant detrimental impact on the reputation of any UAC Group member provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them.
- 6. A material failure of risk management of the Company or a UAC Group member or a business unit of the Group occurs or is discovered.

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7. The Company or any UAC Group member or business of the UAC Group becomes insolvent or otherwise suffers a corporate failure so that the value of the Shares is materially reduced, provided that the Board determines following an appropriate review of accountability that the participant should be held responsible (in whole or in part) for that insolvency or corporate failure.

Under these provisions, the Board may reduce and/or impose additional conditions on the amount of any outstanding award or require the participant to return some or all of the value of the Shares received under the award.

#### **Cessation of employment**

Except in certain circumstances set out below, if a participant ceases to hold office or employment with a member of the UAC Group, he will lose his entitlement to any Conditional Award and unvested awards he holds.

However, if a participant ceases to hold office or employment because of his death, injury, ill health, disability, redundancy, retirement by agreement with the Company, the sale of the participant's employing company or business of the UAC Group or in other circumstances at the discretion of the Board (a "Good Leaver Reason"):

- 1. the Board may in its absolute discretion allow the Conditional Award to continue until the Measurement Date following his cessation of office or employment; and
- 2. any unvested award may, at the Board's discretion, continue to vest on the date when it would have vested as if he had not ceased office or employment.

Where a participant ceases to hold office or employment for a Good Leaver Reason, the Conditional Award in respect of the year in which cessation of office or employment occurs and/or the extent to which any unvested awards vest, may, at the Board's discretion, be prorated to reflect the period of time between the grant of the Conditional Award and the date of cessation of office or employment.

If a participant dies, the Board may determine that the personal representatives of the deceased participant shall be entitled to exercise the nil cost options of the deceased participant at such earlier date and for such period as it may determine. If not so exercised, the nil cost options shall lapse at the end of such period.

Where awards have been structured as options, they may (to the extent vested) be exercised following the participant's cessation of office or employment during a period determined by the Board.

#### **Corporate events**

In the event of a change of control or winding up of the Company:

- the Board will determine the value of any outstanding Conditional Award using as the measurement price the value of the offer consideration per share in connection with the change of control, or in the case of a winding up, the proceeds per share on the winding up; and
- 2. to the extent not vested, nil cost options will vest at the time of such corporate event.

Alternatively, the Board may decide that any outstanding Conditional Awards and awards will be exchanged for equivalent awards agreed with the acquiring company.

#### **Amendments**

The Board may, at any time, amend the provisions of the VCP Rules in any respect. The prior approval of the Company's shareholders will be obtained in the case of any amendment to the advantage of current or future participants which is made to the provisions relating to the basis for determining an eligible employee's entitlement (or otherwise) to be made an award and/or to acquire Shares on the exercise of a nil cost option (as the case may be) under the VCP; the persons to whom an award may be made; the limit on the aggregate number of Shares over which awards may be made; the adjustment of awards on a reorganisation; or provisions on amendments to the VCP Rules. There are however exceptions to the requirement to obtain shareholder approval, e.g. any minor amendment to benefit the administration of the VCP; to take account of any change in legislation; to comply with a decision of a Nigerian Court; or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the UAC Group.

#### Non-transferability

Awards are not transferable other than to participants' personal representatives in the event of their death, or where exceptionally the Board has permitted a Conditional Award to be held by a trustee on behalf of the participant. Awards will also lapse immediately if the participant purports to transfer, charge, or otherwise alienate the Conditional Award, unless the Board determines otherwise.

#### Reorganisation of capital

In the event of a reorganisation of capital or an event affecting the capital or funding of the UAC Group (including, by way of example but without limitation, where UAC makes any acquisition which is funded in whole or in part by debt financing):

- 1. in relation to a Conditional Award, the initial market capitalisation, the Threshold TSR, the Participation Rate Percentage, the description of the Shares, or any one or more of these; or
- 2. in relation to a nil cost option, the number of Shares subject to the nil cost option, the description of the Shares, or any one or both of these,

or such other factors as are determined to be appropriate shall be adjusted in such manner as the Board, shall determine, and which the Company's advisors selected for this purpose confirm to be fair and reasonable.

#### Rights attaching to shares

Any Shares allotted or transferred in connection with the VCP will normally rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue or transfer)

#### Benefits not pensionable

The benefits received under the VCP are not pensionable.

#### Rationale for the implementation of the VCP

The Board of Directors believes that it is in the best interest of shareholders to support the proposed arrangement for the following reasons:

#### 1. It Focuses on long-term sustainable performance

It is imperative that our employees are focused on making appropriate and timely decisions aimed at delivering sustainable business performance, and have the flexibility to respond to the challenges faced by our business in order to protect value, and/or develop opportunities as they arise. The LTIP has been designed to support our employees in making these decisions whilst also promoting sustained market performance.

#### 2. It fosters alignment to shareholder experience

Through the LTIP, employees share in the same ownership experience as the Company's shareholders, and will share directly in the growth of the Company if they meet the stretch targets that have been set under the LTIP.

#### 3. It fosters attraction and retention of the best talent

The ability to deliver market leading levels of reward is essential for UAC, as we compete for talent with Nigeria's best institutions. Our employees are key to the delivery of the Company's growth strategy. The proposed plan is considered to be the best way to focus management on tangible value creation over the long term, and retain critical talent.

#### Shareholder access to VCP rules

The VCP Rules are available for review at <a href="https://www.uacnplc.com/investors/events-presentations">https://www.uacnplc.com/investors/events-presentations</a>/ up to and including the date of the Annual General Meeting and at the place of the Annual General Meeting from one hour prior to its commencement until its conclusion.

#### Special resolution for shareholder approval

To consider and if thought fit, approve the following sub-joined resolutions as a special resolution of the Company:

- a. "Subject to all requisite regulatory approvals, that the Company hereby approves the Long-Term Incentive Plan (the "LTIP") described in the Notice of the AGM and that the Directors be and are hereby authorised to take all such steps and to do all such things as are required to give effect to the establishment of the LTIP, including but not limited to the establishment of an Employee Share Option Scheme (the "VCP") as the component of the LTIP, subject to a maximum size of 10% of the issued share capital of the Company;
- b. That the VCP shall be administered by the Board, and the Board may, in its discretion, do so through the appointment of a trustee on such terms and conditions as may be approved by the Board;
- c. That in order to give effect to the VCP the Board may authorise (i) the issue of any existing unissued shares in the capital of the Company (ii) the issue of new shares or (iii) the purchase by the Company of its own shares on the floor of the Nigerian Stock Exchange, whether solely or in such combination as the Board may determine;
- d. That any shares purchased by the Company on the floor of the Nigerian Stock Exchange shall not at any time exceed a maximum of 10% of the issued share capital of the Company;
- e. That with respect to the issuance of any new shares in connection with the VCP, any and all pre-emptive rights of the shareholders of the Company including such pre-emptive rights conferred by law or pursuant to Article 52 of the Company's Articles of Association be and are hereby waived; and
- f. That the authorisations granted to the Board of the Company with respect to the VCP shall remain valid and effective unless amended by the shareholders in general meeting, for as long as the VCP remains in operation by the Company."

## **DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS**

#### **Board of Directors**

Mr. Daniel Owor Agbor

Mr. Folasope Babasola Aiyesimoju

Dr. Umaru Alka

Mr. Babatunde Oladele Kasali

Dr. Okechukwu John Mbonu

Dr. Vitus Chidiebere Ezinwa

Mr. Bolaji Adekunle Odunsi

Mrs. Suzanne Olufunke Iroche

Mr. Karl Olutokun Toriola

Company Secretary/Legal Adviser

Nkemdirim Agboti

**Registered Office** 

**UAC** House

1-5, Odunlami Street

Marina, Lagos

**Independent Auditors** 

Ernst & Young

UBA House.

10<sup>th</sup> & 13<sup>th</sup> Floors

Marina, Lagos

The Registrar

Africa Prudential PLC

220B Ikorodu Road,

Palmgrove, Lagos

**Company Website** 

www.uacnplc.com

Non-Executive Chairman

**Group Managing Director** 

Non-Executive Director

Non-Executive Director

Non-Executive Director

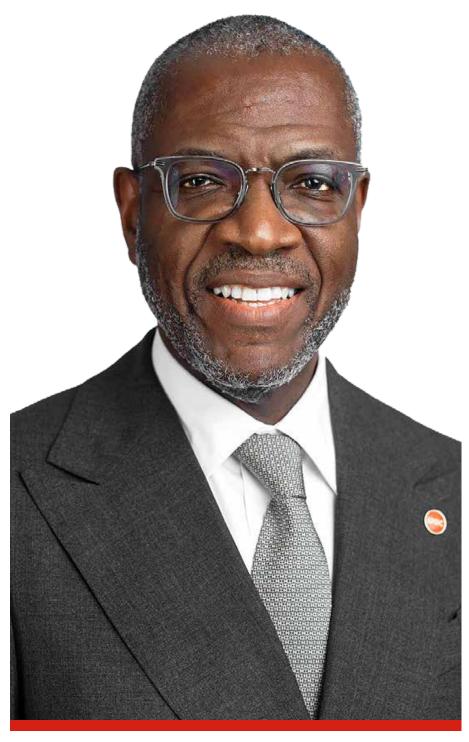
Chief Operating Officer

Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

## **BOARD OF DIRECTORS**



Mr. Daniel Agbor, 61 Non-Executive Chairman



12 November 2015



- B.Sc. Political Science, University of Calabar (1980)
   Masters in Public Administration, University of Calabar (1984)
   Bachelor of Laws (LL.B), University of Benin (1985)
   Bar Examinations of the Nigerian Law School (1986)



Mr. Folasope Aiyesimoju, 41 Group Managing Director



28 March 2018



Risk Management Committee (Member)



- B.Sc. (Hons) Estate Management, University of Lagos (2001)
   CFA Charterholder (2006)



Dr. Okechukwu Mbonu, 69

Non- Executive Director



12 November 2015



Governance and Remuneration Committee (Member)





B.Sc. Mechanical Engineering, University of Manchester, UK (first-class honors) (1977)
 Ph.D. Mechanical Engineering, University of Manchester, UK (1982)



Date of Appointment



Committee Membership



Education and Professional Qualifications





Dr. Vitus Ezinwa, 48 Chief Operating Officer



1 November 2018



Risk Management Committee (Member)



- BSc Sociology & Anthropology, University of Nigeria Nsukka (1994)
   MBA, Lagos Business School (2006)
   Masters in Applied Business Research (2017) and Doctorate in Business Administration (2018) both from SBS Swiss Business School, Zurich, Switzerland



Mr. Babatunde Kasali, 67 Non-Executive Director



7 March 2013



- Statutory Audit Committee (Member)
   Risk Management Committee (Member)





Dr. Umaru Alka, 69 Non-Executive Director



7 March 2013



Governance and Remuneration Committee (Member)



- B.Sc. (Hons) Chemical Engineering (1977); and M.Eng, Ahmadu Bello University, Zaria (1981)
   Ph.D. in Environmental Control Engineering, Newcastle Upon-Tyne, United Kingdom (1985)



Mr. Bolaji Odunsi, 58 Non- Executive Director



30 October 2018



- Risk Management Committee (Chairman)
   Statutory Audit Committee (Member)
- Ī
- B.Sc. (Hons) Degree in Civil Engineering, University of London (1984)
   Diploma in Philosophy, University of London (1984)



Mrs. Suzanne Iroche, 62 Independent Non-Executive Director



1 August 2019



Governance and Remuneration Committee (Chairperson)

- B.Sc. (Hons) Degree in Economics, University of Lagos (1980)
   Master of Management, Kellogg School of Management, Northwestern University Illinois USA (1988)
   Attended several International and Executive training programmes at IMD, INSEAD and Harvard Business School



Mr. Karl Toriola, 49 Independent Non-Executive Director

1 January 2020



Risk Management Committee (Member)

- B.Sc. (Hons) Electronic and Electrical Engineering,
  Obafemi Awolowo University, Ile-Ife (1994)
   Master of Science, Communication Systems, Swansea
  University, United Kingdom (1996)
   Fellow, Nigerian society of Engineers
   Alumnus of London Business School, Harvard Business
  School (2008)
   Member, Council for the Registration of Engineering in
  Nigeria (COREN) (2010)
   Institute of Management Development (IMD) Switzerland
- I

## **BOARD OF DIRECTORS**



Mr. Daniel Owor Agbor, 61 Non-Executive Chairman

Mr. Agbor joined the Board of the Company in November 2015 and is the Non-Executive Chairman.

He is the Senior Partner of the law firm Udo Udoma & Belo-Osagie, with continuing responsibility for leading the firm's mergers and acquisitions and private equity practices. He brings to the UACN Board over 35 years experience from his distinguished careers in banking and legal practice.

Prior to joining Udo Udoma & Belo-Osagie in 1990, Mr. Agbor held various positions in Nigeria International Bank Limited (now Citibank Nigeria Limited), where he worked in the Corporate Finance Unit and in Gulf Bank of Nigeria Limited, where he was Company Secretary/Legal Adviser.

#### **Current Directorships**

- . St. Nicholas Hospital Limited
- · Nigerite Limited
- KCA Deutag Nigeria Limited
- · Lousol Nigeria Limited

#### **Previous Directorships**

- · FSDH Merchant Bank Limited
- Pensions Alliance Limited
- · FSDH Holding Company Limited
- · Swift Networks Limited



Mr. Folasope Babasola Aiyesimoju, 41
Group Managing Director

Mr. Aiyesimoju is a finance professional with experience spanning corporate finance, principal investing and private equity. Over the course of his career, he has lived and worked in Sub-Saharan Africa's most important economies gaining experience of the operating landscape in the region.

He is the founder of Themis Capital Management, an investment firm focused on concentrating capital and talent on high-potential opportunities in Sub-Saharan Africa. He has worked at leading investment firms and financial institutions including Kohlberg Kravis Roberts, Standard Bank Group, Ocean and Oil Holdings Limited, and ARM Investment Managers.

He joined the Board of UAC of Nigeria PLC in March 2018 and was appointed Group Managing Director, effective 1st April 2019

#### **Current Directorships**

- · Grand Cereals Limited, a subsidiary of UACN
- UAC Foods Limited, a subsidiary of UACN
- UACN Property Development Company PLC, an associate company of UACN
- MDS Logistics Limited, an associate company of UACN
- Juven Holdings
- Themis Capital Management
- AM & P Advisory Services
- FoodPro Limited



Dr. Vitus Chidiebere Ezinwa, 48 Chief Operating Officer

Dr. Ezinwa is a seasoned business manager and human resource professional. He joined UACN in 2018 as the Group Human Resources Director and was appointed Chief Operating Officer in 2021 with additional responsibility for Operations, Corporate Communications, Information Technology as well as Human resources.

He has worked as Group Human Resources Director at leading multinational corporations such as Promasidor Africa, Coca-Cola (Nigeria and Equatorial Africa), British American Tobacco (West and Central Africa), and Tropical General Investments (TGI) Group.

He is a member of the Advisory Board of Afterschool Graduate Development Centre, member of the Institute of Directors and a Fellow of the Chartered Institute of Personnel and Development (CIPD) UK. He is a co-founder and Director of HR Network Africa and was until 2014, a member of the Lagos Business School's Advisory Board.

Vitus deploys his rich experience to the development and implementation of appropriate human resource strategies and operations to improve productivity and business performance at UACN.

He joined the Board of UACN as Group Human Resources Director on 1st November 2018.

#### **Current Directorships**

- Grand Cereals Limited, a subsidiary of UACN
- Portland Paints and Products Nigeria PLC, a subsidiary of UACN
- No Surprises Events Limited



Dr. Umaru Alka, 69

Dr. Alka is an expert in environmental pollution and conservation. He acquired deep experience working with the Bauchi State Water Board from 1976 to 1985 and the Abubakar Tafawa Balewa University, Zaria from 1985 to 1987.

From 1987 to date he has run his own Environmental and Water resources Engineering outfit, Alka-Chem Limited.

He is a member of the Nigerian Society of Engineers, Nigerian Society of Chemical Engineers, Institution of Water Pollution Control (UK) and the Institute of Public Health Engineering (U.K).

#### **Current Directorships**

· Bauchi State Water and Sewage Corporation

#### **Previous Directorships**

- · Board of the Federal Housing Authority
- Lake Chad Research Institute
- Bauchi State Water Board
- Non-Executive Director, Chemical & Allied Products PLC



Dr. Okechukwu John Mbonu, 69
Non-Executive Director

Dr. Mbonu is a Partner of Execution Edge Limited. He is a COREN registered Engineer, a Fellow of the Nigerian Society of Engineers (FNSE), a Fellow of the Nigerian Institution of Mechanical Engineers (FNIMechE), a Fellow of the Sierra Leone Institute of Engineers (FSLIE) and a Fellow of the Nigerian Academy of Engineering (FAEng).

He started his career as an engineer with Nigerian Breweries PLC in 1982, and spent over 27 years across roles, divisions, and countries across the Heineken International Group including Sierra Leone Brewery Limited, Freetown as the Managing Director/Chief Executive Officer of the company.

Upon retirement from the services of Heineken International/Nigerian Breweries in August, 2009, he joined PricewaterhouseCoopers (PwC) Nigeria Limited as a Director in their Advisory line of service.

He joined Execution Edge Limited in July 2014 as one of the founding Partners. He joined the Board of UACN in November 2015 as a Non-Executive Director.

#### **Current Directorships**

- · Chairman, First Aluminium PLC
- · Chairman, Paelon Memorial Hospital, Lagos
- Execution Edge Limited

#### **Previous Directorship**

- Cutix PLC
- Executive Director, Nigerian Breweries PLC
- Managing Director/Chief Executive Officer, Sierra Leone Brewery Limited



Mr. Bolaji Adekunle Odunsi, 58 Non- Executive Director

Mr. Odunsi is a financier with over 25 years of international investment experience across various industries, including manufacturing, security, services and oil and gas, and distribution.

He has significant Board level experience in Europe and the US, with a focus on implementing transformational change encompassing systems and controls, team enhancement, financial and regulatory reporting and business analysis to drive value creation. He was a co-founder and partner between 2002 and 2018 of Stirling Square Capital Partners, a leading midmarket European private equity firm.

He is founder and Chairman of Marcelle Ruth Cancer Centre & Specialist Hospital Limited, a specialist hospital offering comprehensive cancer care and treatment in selected other medical specialties. The hospital, which opened in December 2020, uses state of the art technology and is the only comprehensive specialist cancer care centre in West Africa.

He is an independent Non-Executive Director of Interswitch Limited and Chairman of the Nomination, Remuneration and Governance Committee. Interswitch is a leading Nigerian technology-driven company focused on the digitisation of payments. It is one of the few African Unicorns defined as technology companies with a valuation in excess of \$1bn.

He is an Associate of the Institute of Chartered Accountants in England & Wales and holds an undergraduate BSc in Civil Engineering and a diploma in Philosophy from the University of London.

He joined the Board of UACN as a Non-Executive Director in October 2018.

#### **Current Directorships**

- · Georgina Townhouse Limited
- Kuramo Lake Development Limited
- Marcelle Ruth Cancer Centre Limited
- Marcelle Ruth Foundation Limited



Mr. Babatunde Oladele Kasali, 67 Non-Executive Director

Mr. Kasali's has over 40 years experience as a finance professional. His work experience includes Audit Senior, Ernst & Young (Chartered Accountants) United Kingdom, Assistant Internal Auditor, Amex Bank PLC, United Kingdom, and Principal Manager, Ernst & Young (Chartered Accountants) Nigeria. He was also Chief Inspector, Regional Director, Divisional Director and Regional Bank Head, Consumer and Commercial Banking Group, United Bank for Africa PLC.

#### **Current Directorships**

· Non-Executive Director (Chairman), Wema Bank PLC

#### **Previous Directorships**

 Non-Executive Director (Chairman), UACN Property Development Company PLC



Mrs. Suzanne Olufunke Iroche, 62 Independent Non-Executive Director

Mrs. Iroche has over 35 years of broad-based experience in Merchant and Commercial Banking spanning the areas of Corporate and Institutional Banking, Correspondent and International Banking, Treasury and Regional expansion.

She commenced her banking career at International Merchant Bank after which she moved to Chartered Bank as a pioneer member of staff to set up the Treasury Division and subsequently moved to Credit and Marketing.

She worked at United Bank for Africa (UBA) and served as Executive Director, Wealth Management, responsible for Treasury, Correspondent Banking, Asset Management, Trustees and Pension Custody. During her time at UBA, Mrs Iroche also served as Executive Director Global Banking where she was responsible for UBA's African regional expansion and establishment of subsidiaries across the Continent.

In 2009, she was appointed as turnaround CEO of FinBank PLC by the Central Bank of Nigeria (CBN) as part of its financial sector reform programme to ensure financial system stability. She successfully completed

the assignment in 2012. She is currently a Director with Strategic Alliance Promotion Company which is involved in Business Consultancy and Investment Promotion.

Mrs. Iroche joined the Board of UACN as an Independent Non-Executive Director with effect from  $1^{\rm st}$  August 2019.

#### **Current Directorships**

- · Coronation Merchant Bank
- Travelex Nigeria Business Solutions Ltd
- · Strategic Alliance Promotion Company Ltd
- Ethniki Limited
- Advisory Board member WISCAR (Women in successful careers)

#### **Previous Directorships**

- · The University of Lagos Advancement Board
- FinBank PLC
- United Bank for Africa PLC
- FCMB Pensions Ltd
- Union Bank United Kingdom



Mr. Karl Olutokun Toriola, 49
Independent Non-Executive Director

Mr. Toriola is the Chief Executive Officer of MTN Nigeria, a leading mobile telecommunications company. He has over 25 years' experience.

His prior roles in executive leadership include serving as Vice President, West and Central Africa for MTN Group with responsibility for operations in the West and Central Africa Region. Group Operations Executive for MTN Group, Chief Executive Officer for MTN Cameroon, Chief Technical Officer ('CTO") for MTN Nigeria (where he won the Best CTO Award in 2009); Chief Operations/ Regions Officer for Vmobile Nigeria; and Support Manager, West African region for L.M.Ericsson Nigeria Ltd.

His past experience in a non-executive capacity include service as Chairman, MTN/Areeba Guinea, Non-Executive Director, Jumia Africa, Non-Executive Director, American Towers Uganda, Non-Executive Director, MTN subsidiaries in Francophone West Africa.

He joined the Board of UACN as a Non-Executive Director with effect from 1st January 2020.

#### **Current Directorships**

- T.R. Cameron Limited Nigeria
- Main One Cable Nigeria
- Cameron Hotel Limited
- Rakada Limited
- MTN Nigeria Communication Limited
- Lagos State University Nigeria

#### **Previous Directorships**

• Chairman, MTN/Areeba Guinea



# LIVESTOCK FEEDS PLC





Livestock Feeds Pic, 1, Henry Carr Street, off Alcanni Doherty Street, off Obe Alcan Avenue LAGOS: 08077281574, 08077281527 ABA: 08077257574, 08077281492 ONITSHA: 08077281485, 08077257575 JOS: 08077281472, 08077281465

e-meil: info@livestockfeedspic.com verbelie: livestockfeedspic.com

### LEADERSHIP PROFILES: SUBSIDIARY AND ASSOCIATE COMPANIES



Mr. Alex Goma Managing Director, Grand Cereals Limited Appointed: October 2019



Mr. Adegboyega Adedeji Managing Director, Livestock Feeds PLC Appointed: October 2019



Seasoned business executive with over 20 years' experience in FMCG.



Former Managing Director of PZ Cussons Consumer SBU. Prior leaderships roles at Guinness Nigeria, British American Tobacco and Procter & Gamble.



Fellow of the National Institute of Marketing of Nigeria with a B.Sc. in Biochemistry from the University of Port-Harcourt.



Seasoned executive with over 20 years' experience across various disciplines in different sectors.



Prior roles at different businesses in the UACN Group such as GM sales & operations, Regional sales Manager (Grand Cereals), UAC Restaurants, UAC Foods.



B.Sc. in Geography from Obafemi Awolowo University, Ile-Ife; MBA from University of Roehampton UK.



Mr. David Wright
Managing Director,
Chemical and Allied Products PLC
Appointed: August 2019



Mrs. Bolarin Okunowo
Managing Director,
Portland Paints and Products Nigeria PLC
Appointed: March 2020



Extensive business and manufacturing experience with over 35 years' of professional experience across multiple functions in the paint industry.



Former Chief Operating Officer at Blackfriar-Glixtone Decorative Paints and Oxonica Nanotechnology, Regional Director at Hempel, and Country Head for Kansai, United Arab Emirates.



Alumnus of University of West Yorkshire, United Kingdom.



Seasoned business leader and finance specialist with over 16 years' experience across various disciplines.



Former Head, Energy and Infrastructure Finance at Stanbic IBTC Capital and Investment Executive at UAC of Nigeria PLC.



Qualified Chartered Accountant and alumnus of the University of Birmingham and London School of Economics.



Profile



Employment History



Education and Professional Qualifications





Dr. Dele Ajayi Managing Director, UAC Foods Limited Appointed: July 2018





Experienced business executive with over 30 years' of experience in FMCG.



Prior roles include MD Heineken, Central & East Africa; MD Heineken Hungary; Commercial Director, Nigerian Breweries.



PhD in Mechanical and Process Engineering, University of Strathclyde.



Investment professional experienced in strategy, corporate finance, and investments.



Prior roles at UACN (Investment Executive), Standard Bank, Morgan Stanley.



B.Sc in Systems Engineering, University of Virginia; MBA degrees from Columbia Business School and London Business School.

## Mr. Odunayo Ojo Chief Executive Officer, UACN Property Development Company PLC Appointed: May 2021



Experienced real estate professional involved in property development, asset management, private equity and advisory services for various asset classes.



Prior roles include CEO of Alaro City, Director of Development and Projects at Eagle Hills, Abu Dhabi, Development Director at Laurus Development Partners, Vice President at Ocean and Oil Holdings and Business Manager at UPDC PLC.



Master's in Business Administration (MBA) and a Bachelor's Degree (BSc) in Estate Management.

#### Mr. André Bresler

Managing Director, MDS Logistics Limited Appointed: November 2020



Extensive experience in logistics, with a career spanning over 20 years' managing complex multinational projects.



Former Managing Director of FedEx Express (Southern Africa). Prior leadership roles at TNT Express Worldwide, DHL across South Africa, Namibia, Eastern Europe (Prague).



Higher Diploma in Business Management from Damelin South Africa; B.Com (Law) at the University of Pretoria.

#### **DIRECTOR'S REPORT**

The Directors have pleasure in submitting the annual report together with the audited consolidated and separate financial statements of UAC of Nigeria PLC for the year ended 31st December 2020.

#### Profit/(loss) for the year

	2020 N'000	2019 N'000
Group profit /(loss) for the year	3,927,926	(9,256,413)

#### Dividend

In view of the results, the Directors have recommended the payment of an ordinary dividend of 65 kobo per ordinary share and a special dividend of 55 kobo per ordinary share to members. Resolutions to this effect, will be put to the meeting, for the approval of members.

#### **Activities**

UAC of Nigeria PLC is a holding Company with subsidiary companies having operations in the following principal sectors: Animal Feeds and other Edibles, Paints, Packaged Food and Beverages, Quick Service Restaurants, Real Estate, and Logistics.

#### Corporate governance report

This Corporate Governance Report provides clear information on the company's governance structures, policies and practices, as well as, environmental and social risks and opportunities. The Corporate Governance of UAC of Nigeria PLC is organised in accordance with the provisions of the Memorandum and Articles of Association of the Company; and applicable statutory provisions as may be amended from time to time, such as the Companies and Allied Matters Act 2020, the Investment and Securities Act No. 29 of 2007, the Securities and Exchange Commission's Code of Corporate Governance for Public Companies of 2011, the Nigerian Code of Corporate Governance of 2018, and the Rules and Regulations of the Securities and Exchange Commission and The Nigerian Stock Exchange.

#### The Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the Articles to be exercised by the Company in the general meeting.

As at the time of this report, the Board of Directors of UAC of Nigeria PLC is made up of seven (7) Non-Executive Directors and two (2) Executive Directors. The Board is headed by a Non-Executive Chairman who is separate from the Group Managing Director who heads the management of the Company. The current list of the members of the Board and their classification are as follows:

Mr. Daniel O Agbor

Mr. Folasope B Aiyesimoju

Dr. Vitus C Ezinwa Dr. Umaru Alka

Mrs. Suzanne O Iroche

Mr. Babatunde O Kasali Dr. Okechukwu Mbonu

Mr. Karl O Toriola

Mr. Bolaji A Odunsi

Non-Executive Chairman

**Group Managing Director** 

Chief Operating Officer Non-Executive Director

Independent Non-Executive Director

Non-Executive Director

Non-Executive Director

Independent Non- Executive Director

Non- Executive Director

All the Directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from third party professionals in areas where such advice will improve the quality of their contributions to Board deliberations.

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

- a) Formulation of Company policy and strategy, as well as oversight of the management and conduct of the business:
- b) Formulation and oversight of the Company's risk management framework;
- c) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management;
- d) Oversight of the effectiveness and adequacy of internal control systems;
- e) Oversight of the maintenance of the Company's communication and information dissemination policies;
- f) Performance appraisals and compensation for Board members and senior executives;
- g) Ensuring effective communication with shareholders and the investing public;
- h) Ensuring the integrity of financial controls and reports;
- i) Ensuring ethical standards are maintained including approving and enforcing a code of ethics and business practices for the Company, employees and Directors;
- j) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and the Nigerian Code of Corporate Governance 2018;
- k) Defining the scope of authority delegated to Board Committees and senior management, including relevant checks and balances; and
- 1) Defining the scope of corporate social responsibility through the approval of relevant policies.

#### Gender diversity and proportion of women in UAC of Nigeria PLC

UACN is committed to ensuring equal working opportinities within the organisation across genders. There is strong female representation within middle and senior management as well as at board level across the UAC group.

#### Board appointment process, induction and training of board members

The Governance and Remuneration Committee oversees the process for recommending candidates to fill positions on the Board. The process for appointing Directors involves determining the need to appoint additional Directors, either to fill vacancies or otherwise. The curriculum vitae of suitable candidates proposed by Board Members, having regard to the required skills; competence; and experience, are referred to the Governance and Remuneration Committee for necessary background checks; informal interviews/interaction. The Governance and Remuneration Committee may make recommendations for the Board's consideration and approval. Changes on the Board are timeously notified to relevant regulatory authorities and the investing public. Directors appointed by the Board are presented to the next Annual General Meeting of the members of the Company for election in line with statutory requirements. A third of members of the Board retire by rotation at Annual General Meetings.

#### Directors' induction and training

Newly appointed non-executive directors receive comprehensive letters of appointment from the Company, while Executive Directors execute negotiated and agreed contracts of service. Letters of appointment outline terms of reference of the Board and its Committees, the Board structure, Board plan for current year, remuneration, and demands on his/ her time, and disclosure requirements. Letters of appointment are accompanied by orientation packs containing relevant Company documents and policies such as the Memorandum and Articles of Association of the Company; the latest Annual Report and Accounts of the Company; the Securities and Exchange Commission's Code of Corporate Governance for Public Companies; the Nigerian Code of Corporate Governance; the Company's Code of Business Conducts; and major policies of the Company approved by the Board. Board and Board Committee minutes are made available to new Directors to help them gain insight into the key deliberations of the Board in the preceding year.

#### **2020 ANNUAL REPORT**

In addition, newly appointed Directors are informed of the UAC legacy, core values and business verticals; corporate governance framework; fiduciary duties of Directors; the Company's ethics and policies; the Company's delegation of authority framework; risk management; investor relations; and performance and talent management. They are also given an overview of the budget.

Directors are introduced to Executive Management who provide insight regarding the Company's operations. Periodic training programmes are organised for Board members.

Periodic training programmes are organised for Board members.

#### **Board Evaluation**

DCSL Corporate Services Limited ("DCSL") is currently carrying out an evaluation of the performance of the Board of Directors of UAC of Nigeria PLC for the year ended December 31 2020. This ongoing evaluation exercise is subsequent to the last external evaluation carried out in respect of the year 2018, in which DCSL concluded that "save for the highlighted gaps as can be seen in our report, the Board of Directors of UAC of Nigeria PLC substantially complied with corporate governance procedures and processes as stipulated in the Securities and Exchange Commission's Code of Corporate Governance and the Nigerian Code of Corporate Governance. Our review of corporate governance documents indicate that the Board is aware of its oversight function and remains apprised of its duty of ensuring the enthronement of sound corporate governance principles and promoting a culture and awareness of the principles of corporate governance at all levels of the Company's operations."

The Company has, since its last external Board evaluation, implemented DCSL's recommendations in order to entrench corporate governance best practice.

#### **Directors standing for re-election**

Two Directors shall stand for re-election at the next Annual General Meeting of the Company, in accordance with the provisions of the Companies and Allied Matters Act. The two Directors to stand for re-election are listed below:

Mr. Daniel Agbor, the Chairman of the Board; and

Mr. Bolaji Odunsi, a Non-Executive Director of the Risk Management and Statutory Audit Committees of the Company.

The two Directors listed above are willing to offer themselves for re-election. The Board is pleased with their services in the past year, and will recommend their re-election to the shareholders of the Company.

#### **Board meetings**

The Board met seven (7) times during the 2020 financial year. The following table shows the attendance of Directors at the Board meetings:

#### Attendance of directors at 2020 board meetings

Directors	19/2/2020	25/3/2020	10/4/2020	29/4/2020	29/7/2020	21/10/2020	9/12/2020
Mr. Daniel Agbor	Р	Р	Р	Р	Р	Р	Р
Dr. Okechukwu Mbonu	Р	Р	Р	Р	Р	Р	Р
Mr. Babatunde Kasali	Р	Р	Р	Р	Р	Р	Р
Dr. Umaru Alka	Р	Р	Р	Р	Р	Р	Р
Mr. Folasope Aiyesimoju	Р	Р	Р	Р	Р	Р	Р
Dr. Vitus Ezinwa	Р	Р	Р	Р	Р	Р	Р
Mr. Bolaji Odunsi	Р	Р	Р	Р	Р	Р	Р
Mr. Ibikunle Oriola (resigned w.e.f 31/12/20)	Р	Р	Р	Р	Р	Р	Р
Mrs. Suzanne Iroche	Р	Р	Р	Р	Р	Р	Р
Mr. Karl Toriola	Р	Р	Р	Р	Р	Р	AWA

#### Keys:

P - Present

AWA - Absent With Apology

#### **Composition of Board Committees**

The Board functioned through two Board Committees, namely, its Risk Management Committee; and its Governance and Remuneration Committee during the 2020 financial year. Board Committees make recommendations for approval by the full Board.

#### 1. The Risk Management Committee

In 2020, the Risk Management Committee was comprised of six members, three being Non-Executive Directors and three being Executive Directors. The Committee is chaired by Mr. Bolaji Odunsi, a Non-Executive Director, and with effect from December 31, 2020, as a result of the resignation of Mr. Ibikunle Oriola, membership of the Committee reduced to five. Three Non-Executive Directors and Two Executive Directors.

The Terms of Reference of the Risk Management Committee are as follows:

- a) Making recommendations to the Statutory Audit Committee of the Company regarding the appointment of Independent Auditors:
- b) Assessing the independence of the Company's designated Independent Auditors;
- c) Understanding the principal risks to achieving the Company's objectives;
- d) Overseeing the establishment of a management framework that defines the Company's risk policy, risk appetite, and risk limits:
- e) Ensuring that the Company's business profile and plans are consistent with the Company's risk appetite;
- f) Assisting the Board in overseeing risk management, and monitoring the Company's performance in relation to risk management;
- g) Periodically reviewing the key controls, processes, and practices of the Company, including limit structure;
- h) Monitoring, reviewing and challenging all aspects of the Company's profile, and key risk management practices;
- i) Periodically evaluating the Company's risk profile, action plans to manage substantial risks, and progress on the implementation of these plans;
- j) Monitoring risk management policies to ensure they are integrated into the Company's culture;

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- k) Reviewing quarterly risk management reports, and making recommendations to the Board on appropriate actions;
- I) Ensuring the Company's risk exposures are within risk control approval limits;
- m) Assessing new risk-return opportunities;
- n) Undertaking at least annually, a thorough risk assessment covering all aspects of the Company's business and using the results of the risk assessment to update the risk management framework of the Company;
- o) Reviewing the structure for, and implementation of, risk measurement and reporting standards, as well as, methodologies;
- p) Ensuring disclosure of the Company's risk management policies and practices in the Company's Annual Report;
- q) Reviewing UAC management's updates on implementation levels of internal and external auditor's recommendations;
- r) Recommending for Board approval, the appointment of an Internal Audit Service Provider;
- s) Periodically evaluating the performance of UAC's Internal Audit Service Provider and making recommendations to the Board;
- t) Periodically reviewing the adequacy of the resources with which the Internal Audit and Risk management functions discharge their duties;
- u) Overseeing the establishment of Whistle Blowing procedures;
- v) Overseeing UAC's policies and processes regarding financial reporting;
- w) Overseeing UAC's treasury reporting, including cash forecasting;
- x) Reviewing the Group's operational performance;
- y) Making recommendations to the Board on capital expenditure and specific projects and their financing within the overall approved plan;
- z) Making recommendations on the management of UAC's cash and debt exposure / borrowings; and
- aa) Monitoring compliance with applicable laws and regulations.

The Committee met five (5) times during the 2020 financial year. The following table shows the attendance of committee members at the meetings.

Directors	24/3/2020	28/4/2020	28/7/2020	19/10/2020	29/10/2020
Mr. Babatunde Kasali	Р	Р	Р	Р	Р
Mr. Folasope Aiyesimoju	Р	Р	Р	Р	Р
Mr. Bolaji Odunsi	Р	Р	Р	Р	Р
Dr. Vitus Ezinwa	Р	Р	Р	Р	Р
Mr. Karl Toriola	Р	Р	Р	Р	Р
Mr. Ibikunle Oriola (resigned w.e.f. 31/12/20)	Р	Р	Р	Р	Р

#### Keys:

P - Present

#### 2. The Governance and Remuneration Committee

The Governance and Remuneration Committee is comprised of three members who are all Non-executive Directors. During the first half of the year the Committee was chaired by Mr. Daniel Agbor, the Chairperson of the Board. In compliance with the provisions of the Nigerian Code of Corporate Governance, Mr. Daniel Agbor ceased serving on the Committee, and Mrs. Suzanne Iroche, an Independent Non-Executive Director of the Company was appointed Chairperson of the Committee with effect from July 29, 2020. The Group Managing Director and the Group Human Resources Director attended the meetings of the Committee to present reports and shed light on people management and remuneration proposals.

The following are the terms of reference of the Committee:

- a) Review the structure, size, composition, and commitment of the Board, and make recommendations on any proposed changes to the Board;
- b) Drive a formal and transparent process for Board appointments;
- c) Assess the contributions of current Board members and their suitability to be nominated for re-election, and making appropriate recommendations to the Board;
- d) Identify individuals suitably qualified to become Board members and make recommendations to the Board for their nomination and appointment;
- e) Periodically determine the skills, knowledge and experience required on the Board and its committees;
- f) Ensure that the Company has a formal programme for the induction and training of Board members;
- g) Ensure that the Company has a succession policy, and plan in place for the Chairman of the Board, the Group Managing Director, and all other Executive Directors, and Non-Executive Directors, to ensure leadership continuity;
- h) Apply the Company's Remuneration Policy to executive management, and performance evaluation;
- i) Adopt incentive plans, and various governance responsibilities related to remuneration;
- j) Recommend to the Board a Company remuneration structure for all Directors and executive management; and
- k) Ensure the periodic review of the Board Charter, the Board Committee Charters, and other governance policies, including the Company's Code of Business Conduct, the Company's Conflict of Interest Policy, and the Company's Whistleblowing Policy.

#### **Committee Meetings**

The Governance and Remuneration Committee met five (5) times in 2020. The following table shows the attendance of committee members at the meetings.

Directors	19/2/2020	25/3/2020	27/7/2020	21/10/2020	9/12/2020
Mr. Daniel Agbor	Р	Р	Р	NLM	NLM
Dr. Okechukwu Mbonu	Р	Р	Р	Р	Р
Dr. Umaru Alka	Р	Р	Р	Р	Р
Mrs Suzanne Iroche	Р	Р	Р	Р	Р

#### Key:

P - Present

NLM - No Longer A Member

#### 3. The Statutory Audit Committee

The Statutory Audit Committee consists of five members, made up of three representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year; and two representatives of the Board of Directors nominated by the Board. The Chairperson of the Committee is Mr. Olabisi Fayombo, a Chartered Accountant, lawyer, and shareholder representative. The Company Secretary is the Secretary to the Committee. In 2020 the Committee included three Non-executive Directors, but the Companies and Allied Matters Act 2020, provides that the number of Non-executive Directors in the Committee shall be two. With effect from January 1 2021, the number of Non-executive Directors in the Committee stands at two. Meetings of the Committee were attended by representatives of KPMG Professional Services Limited, our outsourced Internal Audit Service Provider; and Ernst & Young, our Independent External Auditors. The Committee operates in accordance with the provisions of the Companies and Allied Matters Act; the Securities and Exchange Commission's Code of Corporate Governance for Public Companies; the Nigerian Code of Corporate Governance; and the Audit Committee Charter.

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The Statutory Audit Committee met four (4) times during the 2020 financial year. The following table shows attendance of members at the meetings.

Members	24/3/2020	28/4/2020	28/7/2020	29/10/2020
Mr. Olabisi Fayombo	Р	Р	Р	Р
Mr. Nwosu Kenneth N.	Р	Р	Р	Р
Mr. Matthew Akinlade	Р	Р	Р	Р
Mr. Babatunde Kasali	Р	Р	Р	Р
Mr. Bolaji Odunsi	Р	Р	Р	Р
Mr. Karl Toriola	Р	Р	Р	Р

#### Keys:

P - Present

#### **Terms of Reference of the Statutory Audit Committee**

The following are the terms of reference of the Committee:

- a) Ensure that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) Review the scope and planning of audit requirements;
- c) Keep under review the effectiveness of the Company's system of accounting and internal control;
- d) Make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company:
- e) Make recommendations to the Board of Directors of the Company regarding the removal of the head of the internal audit function of the Company, or regarding a change in internal audit service provider where internal audit services are outsourced;
- f) Authorise the internal auditor of the Company to carry out investigations into any activities of the Company which may be of interest or concern to the Audit Committee;
- g) Exercise oversight over management's processes to ascertain the integrity of the Company's financial statements, and compliance with all applicable legal and other regulatory requirements; and assess the qualifications and independence of the external auditors, and the performance of the Company's internal audit function as well as that of the external auditors;
- h) Ensure the establishment of, and exercise oversight over, the internal audit function which provides assurance on the effectiveness of the internal controls:
- i) Ensure the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems;
- j) Oversee the process for the identification of fraud across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- Discuss the interim or annual audited financial statements as well as significant financial reporting findings and recommendations with management and external auditors prior to recommending same to the Board for their consideration and appropriate action;
- I) Maintain oversight of financial and non-financial reporting;
- m) Review and ensure that adequate whistle-blowing policies and procedures are in place and that the issues reported through the whistle-blowing mechanism are summarised and presented to the Board of Directors;
- n) Approve a policy on the nature, extent and terms under which the external auditors may perform non-audit services, and review the independence of the external auditors prior to their appointment to perform non-audit services;
- o) Preserve auditor independence, by approving clear hiring policies for employees or former employees of external auditors; and
- p) Ensure the development of a Related Party Transactions policy and monitor its implementation by management. The Audit Committee should consider any related party transaction that may arise within the Company.



#### **Control Environment**

The Board Risk Management Committee reviews the risk environment of the Company at its quarterly meetings and ensures that internal audit, external audit, and risk and compliance recommendations are fully implemented. A Fraud Policy is in place to promote consistent organisational behavior by providing guidelines, and assigning responsibilities for the deployment of controls, and the conduct of investigations. The fraud policy is complemented by a Sanctions Grid which the Board strongly enforces to provide tone-at-the top support for the maintenance of a strong control environment. The Risk and Compliance Unit follows up on audit findings and recommendations to ensure that they are resolved within agreed time frames. The Company retains outsourced internal audit and whistle-blowing services from KPMG Professional Services Limited.

#### **Securities Trading Policy**

In compliance with the Rules of the Nigerian Stock Exchange, we have put in place a Securities Trading Policy to guide Employees and Directors of the Company, persons closely connected to them, and all other insiders of the Company on trading in the securities of the company. Under the policy, the closed period shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price sensitive matter, or the date of circulation of agenda papers pertaining to any of the said matters, whichever is earlier, up to 24 hours after the price sensitive information is submitted to the Nigerian Stock Exchange. The trading window shall thereafter be opened. We hereby confirm that no Director traded in the securities of the Company within any of the closed periods of 2020.

#### **Shareholders Complaints Management Policy**

We have put in place a Complaints Management Policy to handle and resolve complaints from our shareholders. The Policy was defined and is endorsed by the Company's Senior Management, that is also responsible for its implementation, and for monitoring compliance. The Policy is on the Company's website, and is made available to Shareholders at Annual General Meetings.

#### Tenure of Directors, Professional Advisers and Consultants

#### **Board of Directors**

Name	Designation	Years in service
Mr. Daniel O Agbor	Non-Executive Chairman	5 years 4 months
Mr. Folasope B Aiyesimoju	Group Managing Director	3 years
Dr. Vitus C Ezinwa	Chief Operating Officer	2 years 5 months
Dr. Umaru Alka	Non-Executive Director	8 years
Mrs. Suzanne O Iroche	Independent Non-Executive Director	1 year 8 months
Mr. Babatunde O Kasali	Non-Executive Director	8 years
Dr. Okechukwu Mbonu	Non-Executive Director	5 years 4 months
Mr. Karl O Toriola	Independent Non-Executive Director	1 year 3 months
Mr. Bolaji A Odunsi	Non- Executive Director	2 years 5 months
Mr. Ibikunle I Oriola	Group Finance Director	1 year 9 months (Resigned w.e.f
		December 31, 2020)

#### **Consultants and Professional Advisers**

Name	Services	Tenure
KPMG	Internal Audit Service Provider	7 years (Appointed 2014)
Ernst & Young	Independent Auditor	6 years (Appointed 2015) Resigned w.e.f. 7 April 2021
KPMG	Whistle Blowing Ethics Lines	6 years (Appointed 2015)
DCSL	Corporate Services Limited	Board Appraisal 2 years (Appointed 2019)
Deloitte	Tax Advisory and Consultancy	1 year (Appointed 2020)

#### **Directors' Interest in Shares**

	Wednesday, A	April 15, 2020	Tuesday, Ma	rch 30, 2021
Name	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Daniel Owor Agbor	Nil	31,557,498	Nil	35,000,000
Mr. Folasope Babasola Aiyesimoju	31,569	279,398,403	31,569	334,498,403
Dr. Vitus Ezinwa	220,000	Nil	361,174	Nil
Dr. Umaru Alka	8,109	Nil	8,109	Nil
Mrs. Suzanne Olufunke Iroche	Nil	Nil	Nil	Nil
Mr. Babatunde Oladele Kasali	10,000	Nil	10,000	Nil
Dr. Okechukwu John Mbonu	2,103,344	Nil	2,603,344	Nil
Mr. Karl Olutokun Toriola	Nil	Nil	Nil	Nil
Mr. Bolaji Odunsi	Nil	Nil	Nil	Nil
Mr. Ibikunle Ibiyinka Oriola (Resigned w.e.f. 31				
December, 2020)	21,159	Nil	N/A	N/A

Mr. Daniel Agbor's indirect shareholding is through Oakbrook Investments Limited. Mr. Folasope Aiyesimoju's indirect shareholding is through Themis Capital Management.

#### **Directors' Interest in Contracts**

Some of the Directors gave notices for the purposes of Section 303 of the Companies and Allied Matters Act 2020, to the effect that they are directors/partners of entities which could be regarded as interested, or potentially interested, in contracts with the Company.

Mr. Daniel Agbor is the Senior Partner of the law firm Udo Udoma & Bello-Osagie, which renders legal services to the Company from time to time.

Mr. Folasope Aiyesimoju is a partner in AM&P, which seconded an employee to the Company in 2020.

## Statement on the Availability or Otherwise of the Code of Business Conduct and Ethics for Directors, Management and Other Employees

The Directors, Employees, Vendors, Consultants, Contractors, Service providers, and Professional Advisers of UAC of Nigeria PLC and it subsidiary companies agree to abide by the provisions of the Company's Code of Business Conduct. This is done on an annual and on-going basis.

The highlights of our human resource policies and internal management structure, including relations with employees, and other workplace development initiatives are included in our 2020 Annual Report.



The highlights of sustainability policies and programmes covering social issues such as corruption; community service; environmental protection; serious diseases; and matters of general environmental, social, and governance (ESG) initiatives are included in our 2020 Annual Report.

#### Cases of Claw Back Being Pursued by the Company

The Company has a Severance Payment policy with claw back provisions for its recently exited Executive Directors, however there is currently no situation triggering the implementation of this policy.

#### **Regulatory Sanctions and Penalties**

UAC of Nigeria PLC did not incur any fine or penalty by any Regulator in the 2020 financial year, and indeed up to the reporting date.

#### **Compliance with Code of Corporate Governance**

The Company has fully complied with the provisions of the Securities and Exchange Commission's Code of Corporate Governance for Public Companies, and continues implementation of the provisions of the Nigerian Code of Corporate Governance.

Nkemdirim Agboti, Esq.\*

Nagbeli

Company Secretary

The Financial Reporting Council of Nigeria (FRC), through a letter dated 15 January 2021, granted a waiver which allows the Company Secretary to sign the Directors' report for the year ended 31 December 2020 without indicating any FRC registration number.





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IKEJA - 17A, Ajao Road, Off Adeniyi Jones Avenue, Ikeja

VICTORIA ISLAND- 17A, Bishop Aboyade Cole Street, Victoria Island

IKOYI- Fezel Plaza, 8A Kingsway Road, Ikoyi

ILORIN - 17A, Dam Road, Ilorin. Tel: 08033075013



## **HUMAN RESOURCES REPORT**

#### **Engaging our People**

UACN considers employees to be among its most important stakeholders and views them not as a group, but as individuals. We see employee engagement as the key to unleashing the full potential of individual employees with their own strong motivation, autonomy and desire to grow.

The partnership of choice between UACN and each individual employee is defined as one where each party is accountable for being responsive to the needs of the other thereby leading to achievement of business and individual objectives. UACN believes that the growth of the individual will lead to growth of the organisation. This sustainable growth brings opportunities for employees to take on new challenges and grow.

Our performance culture is based on continuous open feedback and appreciation for outstanding performance – both through attractive compensation and through individual and long-term development opportunities. We strengthen our team by valuing diversity and cultural backgrounds, interacting openly and constructively with each other, and looking after the health and safety of our people. This results in a motivated and engaged team, whose individual skills and experience make a significant contribution to our success.

#### 1. People Development

UACN is strengthening its systematic training to give employees the skills they need in various formats including traditional classroom training and e-learning. In addition to mandatory training, we support self-driven development by offering seminars, courses with professional institutions that fit the needs of employees.

Employees at UACN have a well-articulated personal development plan and the company has empowered employees to drive their professional development by providing access to various learning platforms to enable on-demand, bite-size capability development. Our regular check-in sessions also provide a platform to connect and share knowledge.

To maintain a continuous pipeline of talent to drive the business in the medium to long term, we have developed the UACN Academy framework which is our Graduate Trainee Program and Fast Track programme for already existing employees with growth potential.

#### 2. Performance and Talent Management

We are clear about our short, medium, and long term objectives. This same clarity is transferred to all employees at UACN and all have fully aligned objectives and understand how their jobs contribute to the larger business objectives. Regular check-ins take place between employees and their line managers to align execution and to allow managers to observe and develop their teams. Open, timely and constant feedback is essential to our strong performance culture.

In 2020, we completed 2 cycles of People Review sessions for each of our portfolio companies and at UACN. These sessions gave us clarity on talent within the business and possible gaps so that action could be agreed to develop, engage, motivate and retain talent and where gaps exist, closed.

#### 3. Flexible Working

We believe that work should be integrated into our daily lives, this makes it possible for UACN to have fully engaged employees who are also excelling in other areas of their lives. Based on a culture of trust and our effective performance management system, flexible working hours and telecommuting constitute a natural part

of the way we work. Being able to work wherever and whenever necessary, regardless of time or place, improves employees work-life balance. At UACN, we measure performance by results and not by attendance.

Our flexible work arrangements were adjusted during the COVID-19 pandemic to ensure that employees were safe and connected while working remotely.

#### 4. Reward and Recognition

The holistic reward and recognition of our people is an important element of our corporate culture and enables us to ensure our long-term and sustainable business success. For this reason, it is important to recognise our people's performance through appropriate remuneration in line with the market. We use performance-based components of compensation to reward individual contributions. There is no systematic difference between the compensation received by male and female employees.

Our remuneration system has as its foundation an appropriate and competitive level of base pay, which all employees receive in accordance with market conditions. This is aligned with the requirements of the position, local market conditions, individual performance, and the development potential of the employee. In addition to base pay, we strive to reward the individual performance of our employees with attractive incentives.

Remuneration across the organisation is set without any form of discrimination or bias towards gender, ethnicity or any other criteria besides merit. Employees are recruited, promoted and rewarded exclusively based on their qualifications and professional abilities.

#### 5. Diversity and Inclusion

As a company with a broad business portfolio, UACN employs individuals from diverse backgrounds. We leverage our diverse business and workforce as strengths, embracing diversity as a key management tool and respects the individuality of each employee and encourage them to inspire each other through ongoing dialogue. We are convinced that this will create an atmosphere that drives further growth for the company.

Diversity at UACN represents the variety of talent, attitudes, perspectives, strengths, abilities and characteristics of our employees and business partners that make UACN unique and contribute to creativity, innovation and business success. The individual differences in our company make us strong and successful.

UACN is an equal opportunity employer and does not discriminate on any grounds.

#### 6. Health, Safety and Welfare of Employees

UACN maintains business premises designed with a view to ensuring the safety and healthy living conditions of its employees and stakeholders alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical cover for its employees and their immediate families.

The Company has in place a number of workshops and enlightenment programmes designed to equip staff members with basic health management tips, first aid, fire prevention and other occupational safety skills. Fire prevention and fire-fighting equipment are installed in strategic locations within UACN premises.

The Company operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation) Insurance covers and Employee Compensation Act contributions for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014).





#### SUSTAINABILITY REPORT

#### **Economic Matters**

At UACN, sustainability is entwined at the helm of our business activities and operations. It is a key factor that guides our manufacturing, supply chain, procurement, logistics, and operation across our subsidiaries.

UACN conducts its procurement activities in a fair and ethical manner, providing opportunities for members of its host community to participate in the supply chain, where required. Suppliers of goods and services are engaged using defined criteria that does not accommodate discrimination. Suppliers are treated fairly and in line with executed contracts. Suppliers communicate their quotations to dedicated and protected email addresses and buying committees are responsible for final procurement decisions to ensure transparency and confidentiality in the process. Suppliers are required to provide services and deliver goods in adherence to prescribed company standards, existing regulations and labour laws.

We remain a quality-driven company, consistently pursuing improvement in product quality and service delivery to our customers. We maintain a batch management system where we track our outputs in order to maintain consumer safety in the event of a product recall.

All our stakeholders are expected and encouraged to adhere to principles consistent with our values. To ensure ethical conduct of relevant stakeholders, UACN has instituted an annual Code of Business Conduct program. This includes:

- Annual assessment and attestation to the requirements of the Code of Business Conduct;
- Communication of key elements of the Code of Business Conduct during Induction of employees;
- Communication of Code of Business Conduct requirements to service providers/suppliers, contractors, agents etc.;
- Annual attestation by service providers to the requirements of the Code of Business Conduct; and
- Development and inclusion of a standard clause confirming compliance with the requirements of the Code in Local Purchase Order (LPO), Request for Proposals, Award Letters and Contracts and Service Level Agreements with Trade Partners.

UACN's supplier onboarding process includes a comprehensive pre-registration assessment of the suppliers to ensure they demonstrate appropriate ethical values in consonance with ours. Annual evaluations of performance are conducted to ensure that we are in a contractual relationship with law-abiding, ethical and responsible partners.

At UACN, feedback from our customers is key to our growth and continuous improvement. We regularly engage our customers to ensure the maintenance of a healthy relationship and real-time access to information on product, process or service improvement opportunities. Customer satisfaction surveys are conducted as part of the feedback system. The Customer care unit of the marketing departments of subsidiary companies collate and monitor feedback from our customers and other stakeholders. We conduct training sessions for key distributors and agents, enlightening them on approaches to derive maximum benefits from our products.

Our subsidiary companies' products are formulated to be eco-friendly without compromising quality and standards. We work closely with relevant regulators in achieving this objective i.e. NAFDAC, SON, NESREA, LASEPA, etc. Precise and concise information about the products and services offerings of the UACN Group are provided to Customers. Feedback from our regulators in this regard has been positive.

#### Diversity in the workplace

At UACN, we aim to achieve a cohesive and balanced work environment through but not limited to gender equality and non-discrimination based on ethnicity, socio-economic background, religious and political beliefs.



The company in its over 140 years of existence has maintained continuity through ensuring engagement of young talent with continuous grooming for business sustenance. 48% of the UACN work force are within the 30 - 39 age bracket.

#### **Labour Practices**

The company strives to be at the forefront of innovative people practices thereby attracting and retaining a talented workforce primed to deliver value to our stakeholders. In these efforts, UACN recognises that the people who work with us are our most important stakeholders in our diversified business and they are key to our efforts to generate sustainable value.

Through our constantly evolving human resources policies and practices, UACN is committed to increasing employee engagement by leveraging the diversity and ambitions of its people and maximizing talent. We seek to sustainably elevate our talent and organisational capabilities in order to raise overall business performance.

We check-in on our teams regularly to engage, share information and knowledge, and brainstorm on key business initiatives and/or issues. Each individual at UACN has a well-articulated personal development plan and the company has put employees in the driving seat of their professional development by providing access to various learning platforms to enable on-demand, bite-size capability development.

We are aware of the "war for talent" in our operating environment, therefore UACN has been proactive in external talent pipelining, graduate trainee recruitment drives, providing competitive remuneration, and best in-class short and long term performance incentives.

Respect for Human Rights is embedded in UACN's shared values. For several years, UACN and its Business Units have maintained respect for individuals' human rights as a value driven principle to earn the trust of its employees, suppliers, customers, contractors, consultants and other stakeholders.

The company's Human Rights policy revolves around;

- Respect for individuals
- Freedom of Association and collective bargaining
- Freedom from all forms of discrimination and harassment
- Adherence to Safety and Healthy Workplace
- Policy against Child Labor
- Policy against Forced Labor and Human Trafficking
- · Respect for Work Hours, Wages and Benefits

We ensure strict adherence to respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights, African Charter on Human and People' Rights, Constitution of the Federal Republic of Nigeria and other relevant local statutes. Due to the strict adherence to the company's human rights policy, no case of human rights abuse was filed against the company or any of its subsidiaries in 2020.

#### **Corporate Social Responsibility**

In 2020, the CSR focus for the Group was centered around alleviating effects of the COVID-19 pandemic in Nigeria alongside other community engagements. We made meaningful financial contributions, donated face masks and face

#### **2020 ANNUAL REPORT**

shields, provided water and relief packs, consisting of food and basic hygiene products, to economically vulnerable communities and those most affected by the lockdown.

The table below provides the breakdown of CSR and donations across UACN Group

Subsidiary	Description of donation	Cost (N'000)
UACR	Product support to COVID-19 frontline officers at Yaba, Ikeja, Ajah, and Lekki	
	isolation centres in Lagos State	4,081
PPPNL	Provision of food items to the Special Correctional Centre for Boys at Oregun	213
GCL	Donation of food items to alleviate hunger in Plateau State and provision of relief	
	material to Anambra State	5,394
CAP	Donation to the Family of a Deceased Dulux Agent	1,000
	CAP COVID-19 partnership with WIMBIZ to distribute food items to thousands of	
	low-income households within Seriki-Aro in Ikeja and other communities in Lagos	5,000
	CAP partnership with LifeBank to distribute oxygen to support COVID-19 patients	
	at isolation centres in Lagos	5,000
	CAP COVID-19 partnership with Project Ark (supported by voluntary contribution	
	by CAP staff) to distribute food items to low-income households within the Alimosho	
	area in Lagos	5,002
UACN	COVID-19 donations to the Federal Government of Nigeria	100,000
	Donations to COVID-19 isolation centres	29,263
	Donation of face masks and face shields to support The Nigerian Stock Exchange	
	Mask for All campaign	1,500
		156,453

#### Governance

UACN is a holding company with subsidiary companies. UACN is currently strengthening governance at the Board and Management levels of the subsidiary companies. The holding company will continue to ensure that appropriate controls, systems/technology and governance frameworks are in place in the subsidiary companies. As a good and law-abiding citizen, UACN organises its business to strictly comply with all laws and regulations for the time being in force in Nigeria. We comply with anti-bribery and anti-corruption laws. As an ethical company, we have zero tolerance for bribery and corruption and any such malfeasance. This is clearly stated in the UACN Code of Business Conduct which applies to our directors, employees, consultants, vendors and business partners.

Under the Code, bribery which is the direct or indirect offer, payment, soliciting, authorisation or acceptance of a bribe in any form is prohibited.

Our policy also ensures prompt financial disclosures under the Currency Transaction and Suspicious Transaction Reports in line with Nigeria's anti-money laundering and combating the financing terrorism (AML/CFT) regime of the National Financial Intelligence Unit (NFIU).

We periodically review the prevailing behavior of employees towards ensuring full compliance with Anti-bribery and Corruption measures. Our Risk and Compliance, Human Resource and Legal Services Departments reinforce the need for full compliance to employees from time to time. Outsourced whistle blowing mechanisms are also in place to drive compliance. Any employee found culpable after an appropriate investigation is promptly sanctioned by way of termination of appointment after according him/her fair hearing in line with the applicable laws. The Company sensitises Directors and employees to the provisions of UACN Code of Business Conduct annually and in the process obtains their

subscription to abide by its provisions.

#### The Environment

UACN is fully committed to Sustainability practices and strives to formulate products and render services that are ecofriendly without compromising quality and standards.

UACN has in place Effluent Treatment Plants across the subsidiary companies that ensure proper management of waste. Waste is properly treated and only discharged to the environment after being certified non-hazardous to the eco-system.

There are ongoing concerted efforts at energy conservation, reduction in energy consumption and achieving a paperless environment. Strategies such as the replacements of fluorescent tubes with LED panels have resulted in commendable savings in energy consumption on lighting. Paper Usage Discipline (PUD) Campaign aimed at bringing employees to the realisation of the effects of use of paper on the environment and the company finances. Adoption of technology, through the implementation of Microsoft SharePoint across UACN businesses has helped digitise paper transactions.

Our company maintains an environmental friendly policy which helps in engendering responsible attitudes and behaviors towards the environment. The policy which is in line with various Environmental laws and Regulations, serves as an effective instrument for environmental protection, planning, pollution, prevention, and control. It addresses key practical issues including emissions to air and water; environmental impact assessments; waste; contaminated land and environmental issues in transactions etc. The company did not pay any fine for non - compliance with environmental laws and Regulations in Nigeria in the year under review.

## **RISK MANAGEMENT**

#### **Risk Management Framework**

Enterprise Risk Management ("ERM") enables UAC of Nigeria PLC ("UAC" or the "Company") evaluate strategic, business, financial, operational, reputational, regulatory, and emerging risk, and monitor mitigating actions in a structured manner. The risk management process aims to identify, measure, and manage risk, providing the opportunity for the Company visibility on risks inherent to its operating environment. The Company's ERM framework is modelled on two leading ERM implementation standards; the AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines, and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework expanded to incorporate "COSO Internal Control-Integrated Framework.

To ensure effective risk management, we operate a three line of defence (3LoD) model to promote a culture of ownership that emphasize transparency and adherence to operating control as outlined below:

**First line:** Involves setting strategy, defining risk appetite, performance measurement, establishment and maintenance of internal control and defining approaches to risk management in the business. It places primary responsibility for risk management with business units, which are required to take responsibility for risk identification, assessment, management, monitoring and reporting within their respective businesses, promoting a culture of ownership.

**Second line:** The Company's risk management function provides oversight and independent reporting to executive management and Board Risk Management Committee, implements the risks management policy in the business units, approves risk specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defense. Other internal stakeholders in the role include our legal services, and compliance teams

**Third line:** The third line of defence is the internal audit function that provides independent and objective assurance of the effectiveness of UAC's systems of internal control established by the first and second lines of defence in managing risks across the organisation

## **Our objective**

Enterprise Risk Management supports the achievement of the Company's strategic priorities and advances management practices in the Company. Specifically, the objectives of the ERM framework include:

- Embedding a consistent approach to risk management in the Company's culture and strategic planning processes
- Supporting priority setting and decision making at the institutional and department levels
- Applying a consistent approach to risk response and control activities to support the Company's governance responsibilities for innovation and responsible risk-taking, policy development, programs, and objectives. In all cases, appropriate measures will be put in place to address unfavorable impact from risks and favorable benefits from opportunities
- Manage a transparent approach to risk through formal and informal communication and monitoring of all key risks, balancing the cost of managing risk with the expected benefit. Risk management practices will be adapted to encompass best practice, specific circumstances, and mandate
- Compliance with best practice and regulations



## **Broad risk categorisation**

The Company is exposed to risks including Financial Risk (Credit, Market, Liquidity), Operational Risk, Strategic Risks, Regulatory Risks, Reputational Risk, Emerging Risks and Business Continuity Risks.

#### **Credit Risk**

Arises when counter parties fail to meet their obligation. Two notable areas of exposure are:

- Default risk: where we are exposed to a counter party that is unwilling or unable to fulfil its contractual obligations
- Downgrade risk: the risk that the Company is exposed to a counterparty that might be downgraded by a rating agency

#### **Market Risk**

Risk that the value of financial instruments changes due to movements in market factors. Such movements may be occasioned by market factors (including volatility) that are directly related to an individual investment and/or systemic. The Company's risk exposure within the market risk spectrum are:

- Interest rate risk: the potential for investment losses by the Company that result from a change in interest rates
- Foreign exchange risk: the risk of holding financial assets denominated in a currency other than Naira (UAC's reporting currency)
- Property price risk: The Company's portfolio is subject to property price risk arising from adverse changes in the valuation of properties

#### **Liquidity Risk**

Risk of loss on account of insufficient liquid assets to meet cash flow requirements or fulfil our financial obligation. Our notable areas of exposure are:

- Asset liquidity: The risk that the Company is unable to execute a transaction at the prevailing market price because there is, temporarily, no appetite for the deal on the other side of the market
- Funding liquidity: This relates to Company's inability to raise the necessary cash service its debt; meet working capital requirements; cash, margin, and collateral requirements of counterparties

#### **Operational Risk**

The risk of loss resulting from inadequate or failed internal processes, people (people risk) and systems or from external events

#### Strategic Risk

The risk that failed business decisions may pose to a Company

#### **Regulatory Risk**

The risk of a change in regulations and law that might affect the Company's business operations

#### **Reputational Risk**

The risk of loss resulting from damage to the Company's reputation, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value, consequent to an adverse event, regardless of the final determination of such event

#### **Emerging Risk**

A condition, situation or trend that could significantly impact the Company's financial strength, competitive position or reputation over a five-year horizon and involves a high degree of uncertainty

#### **Business Continuity Risk**

The risk that the continued operation of the company is threatened due to unforeseen events such as natural disaster, fire, flood, pandemic



## **CONSOLIDATED FINANCIAL STATEMENTS**

## FOR THE YEAR ENDED 31 DECEMBER 2020

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# CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007, AND SECTION 405(1) OF COMPANIES AND ALLIED MATTERS ACT, 2020

We the undersigned hereby certify the following with regards to our audited financial report for the year ended 31 December 2020 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
  - (i) any untrue statement of a material fact, or
  - (ii) omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report.
- (d) We:
  - (i) are responsible for establishing and maintaining internal controls;
  - (ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
  - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report; and
  - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
- (e) We have disclosed to the auditors of the company and audit committee:
  - (i) all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's auditors any material weakness in internal controls; and
  - (ii) any fraud, whether or not material, that involve management or other employees who have significant role in the company's internal controls.
- (f) We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.

Folasope Aiyesimoju

Group Managing Director FRC/2019/IODN/00000019806

Paroante

Funke Ijaiya-Oladipo Group Chief Financial Officer FRC/2021/001/00000022822

## **STATEMENT ON INVESTOR RELATIONS**

UAC of Nigeria PLC has a dedicated investors' portal on its corporate website which can be accessed via this link: https://www.uacnplc.com. The Company's Group Chief Financial Officer can also be reached through electronic mail at: investorrelations@uacnplc.com; or telephone on: +234 906 269 2908 for any investment related enquiry.

#### STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of the annual financial statements which give a true and fair view of the position of the Group and Company.

This statement, which should be read in conjunction with the Auditors' statement of their responsibilities, is made with a view to setting out for Shareholders, the responsibilities of the Directors of the Group and Company with respect to the financial statements.

In accordance with the provisions of the Section 377 of the Companies and Allied Matters Act, 2020 (CAMA 2020), the Directors are responsible for the preparation of annual financial statements, which give a true and fair view of the Group and Company for the Financial Year.

The responsibilities include ensuring that:

- a) Appropriate internal controls are established both to safeguard the assets of the Group and Company to prevent and detect fraud and other irregularities;
- b) The Group and Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which ensure that the financial statements comply with the requirements of the Companies and Allied matters Act;
- c) The Group and Company have used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- d) The going concern basis is used, unless it is inappropriate to presume the Group and Company will continue in business.

The consolidated and separate financial statements of the Group and Company for the year ended 31st December 2020 were approved by the Directors on 30 March 2021.

Signed on behalf of the Directors of the Company

Mr. Dan Agbor Chairman

FRC/2013/NBA/0000001748

Mr. Folasope Aiyesimoju Group Managing Director FRC/2019/IODN/00000019806



## **AUDIT COMMITTEE MEMBERS**



**Mr. Olabisi Fayombo** Chairman



**Mr. Kenneth Nnabike**Member



Mr. Matthew Akinlade Member



**Mr. Babatunde Kasali** Member



**Mr. Bolaji Odunsi** Member

# REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UAC OF NIGERIA PLC

In compliance with Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Consolidated and Separate audited Financial Statements of the Group and Company for the year ended 31st December 2020 and report as follows:

- (a) The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit are in our opinion adequate.
- (c) The internal audit and internal control systems are adequate.
- (d) The External Auditors' Management Letter was satisfactorily dealt with by Management.

Mr. Olabisi Fayombo

Chairman, Audit Committee FRC/2013/ICAN/00000002883

Dated 26th day of March, 2021

### **Members of the Committee**

Mr. Olabisi Fayombo Chairman
Mr. Matthew Akinlade Member
Mr. Kenneth Nnabike Member
Mr. Babatunde Kasali Member
Mr. Bolaji Odunsi Member

### **Secretary**

Nkemdirim Agboti, Esq.,



**Ernst & Young** 

10<sup>th</sup> Floor, UBA House 57, Marina Lagos, Nigeria Tel: +234 (01) 63 14500 Fax: +234 (01) 463 0481 Email: services@ng.ey.com

ey.com

### INDEPENDENT AUDITORS' REPORT

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### Opinion

We have audited the consolidated and separate financial statements of UAC of Nigeria PLC ("the Company') and its subsidiaries (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.





We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

### **Key Audit Matter**

### **Assessment of Goodwill impairment**

The goodwill balance of N548. 7 million, principally relates to the acquisitions of Portland Paints & Product Nigeria PLC and Livestock Feeds PLC in 2013.

In line with the IAS 36, Goodwill should be tested for impairment annually. The Company tested goodwill for impairment and no impairment charge has been recorded against these balances in the current financial year.

The annual impairment test is significant to our audit because the balance involved is significant to the Group and the testing process is complex and requires significant judgment.

The value in use assessment to support the continued carrying amount of goodwill involves the application of judgement about future performance of business. Certain assumptions made by management in the impairment review are considered by the engagement team to be key areas of judgement, notably the forecast cash flows, the overall growth rates and the discount rates applied amongst others.

The disclosure of goodwill is set out in Note 14 to the consolidated and separate financial statements.

### How the matter was addressed in the audit

Our audit procedures include, amongst other, the following:

We reviewed management's key assumptions used in the impairment model for goodwill to determine the value in use of the cash generating unit to ensure it is in compliance with the requirements of IAS 36 Impairment of Assets.

We evaluated management's future cash flow forecasts and the process by which they were determined and approved, including checking that the forecasts were consistent with the latest Board approved budgets and confirming the mathematical accuracy of the underlying calculations.

We also considered the accuracy of previous forecasts made by management. We obtained corroborating evidence regarding the carrying value of goodwill, and the related disclosures, through challenging:

- Key assumptions for growth rates in the cash flow forecasts by comparing them to historical results, and economic forecasts; and
- The discount rates by independently estimating a range based on market data.

We performed sensitivity analysis around these assumptions to ascertain the extent of change that individually, or in combination, would be required for the goodwill to be impaired.

We also reviewed the appropriateness of the disclosure for compliance with relevant standards.



### **Key Audit Matter**

### Impairment assessment of financial asset

IFRS 9- financial instrument which covers financial assets requires that financial assets are assessed for impairment using the Expected Credit Loss (ECL) model that will lead to timely recognition of expected losses.

The Group is required to regularly assess the recoverability of its receivables. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions as well as the time value of money.

An "expected loss" focuses on the risk that a debtor will default in payment rather than whether a loss has been incurred.

As at 31 December 2020, the Group had financial assets of N30 billion and impairment of NI.3 billion.

The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment allowance.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and Expected Credit losses (ECLs) is a significant estimate.

Based on our application of the ECL model on the Group's financial asset, an impairment allowance of NI.3billion was calculated and recognised as at 31 December 2020.

Due to significance of financial assets and the related estimation uncertainty, this is considered a key audit matter.

The disclosure of impairment is set out in Note 3 to the consolidated and separate financial statements.

### How the matter was addressed in the audit

- We reviewed IFRS 9 models prepared by the management for computation of impairment on receivables in line with the requirements of IFRS 9.
- We reviewed the grouping of receivables based on the number of days, debts became past due.
- We tested the historical accuracy of the model by assessing historical projections versus actual losses.
- We analysed historical credit loss with a view to identifying which portion of receivables remain unpaid during the year to enable us to determine the default rate.
- We engaged our internal specialist to perform independent recalculation of the impairment provision.
- The review of other areas of complexities which includes incorporating forward looking information such as macro-economic indicators that includes inflation rates, exchange rates, unemployment rate, Gross Domestic Products (GDP) etc.
  These macro-economic indicators were equally challenged available information in the public domain.



### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, Statement of Directors' Responsibility, Report of the Audit Committee, Statement of Value Added and Five Year Financial Summary as required by the Companies and Allied Matters Act, 2020 and Corporate Governance Report as required by Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our Auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this Auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and the provisions of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether
due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence
that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional
omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
  appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group
  and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the group or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities
  within the Group and the Company to express an opinion on the consolidated and separate financial statements.
  We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain
  solely responsible for our audit opinion.

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

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

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



### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirement of Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that: we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; in our opinion proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books; and the Group and the Company's consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income are in agreement with the books of account.

Praceliory

Omolola Alebiosu, FCA FRC/2012/ICAN/0000000145

For: Ernst & Young Lagos, Nigeria 31 March 2021



# AUDITED CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

Persistance   Persistance			The G	iroup	The Cor	mpany
Revenue		Notes				
Cost of sales         8         (65,367,532)         (62,575,242)         -         -           Gross profit         15,990,428         16,626,898         758,447         758,691           Dividends income         6         9,675         6,441         349,695         2,296,618           Other operating income         7i         1,282,833         2,355,961         1,404,285         1,676,090           Other operating losses         7ii         (140,797)         (297,223)         (3,547,999)         (3,462,569)           Selling and distribution expenses         8         (5,776,661)         (6,433,097)         -         -           Administrative expenses         8         (7,713,569)         (6,643,097)         -         -           Administrative expenses         8         (7,713,569)         (6,672,567)         (2,461,090)         (1,966,7349)           Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance income         9         (501,830)         (991,174)         -         -         -           Share of profit of associates and joint venture         18         973,316         -         -         -         -           Profit/(loss) after tax for the	Continuing operations					
Temperature   Temperature	Revenue	5	81,357,960	79,202,140	758,447	758,761
Dividends income         6         9,675         6,441         349,695         2,296,398           Other operating income         7i         1,228,233         2,355,961         1,404,295         1,676,090           Other operating losses         7ii         1,428,233         2,355,961         1,404,295         1,676,090           Selling and distribution expenses         8         (5,776,661)         (6,453,037)         -         -           Administrative expenses         8         (7,713,569)         (6,6572,567)         (2,461,908)         (1,936,029)           Operating profit/(loss)         3,597,309         5,666,413         (3,497,470)         (667,349)           Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance cost         9         (501,830)         (991,174)         -	Cost of sales	8	(65,367,532)	(62,575,242)	-	-
Other operating income         7i         1,228,233         2,355,961         1,404,295         1,676,090           Other operating losses         7ii         (140,797)         (297,223)         (3,547,999)         (3,462,569)           Selling and distribution expenses         8         (5,776,661)         (6,453,097)         -         -           Administrative expenses         8         (7,713,569)         (6,57,661)         (2,461,908)         (1,936,029)           Operating profit/(loss)         3,597,309         5,666,413         (3,497,470)         (667,349)           Finance income         9         (501,830)         (991,174)         -         -         -           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture         using the equity method         18         973,316         -         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746           Income Tax Expense         10         (1,662,581)         (2,110,943)         (413,909)         (489,599)           Profit/(loss) after tax for the year from discontinued operations         3,458,264         5,345,316         (2,475,586)<	Gross profit		15,990,428	16,626,898	758,447	758,761
Other operating losses         7ii         (140,797)         (297,223)         (3,547,999)         (3,462,569)           Selling and distribution expenses         8         (5,776,661)         (6,453,097)         -         -         -           Administrative expenses         8         (7,713,569)         (6,572,567)         (2,461,908)         (1,936,029)           Operating profit/(loss)         3,597,309         5,666,413         (3,497,470)         (667,349)           Finance cost         9         (501,830)         (991,174)         1,435,793         2,641,095           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture using the equity method         18         973,316         -         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746         1,093         (413,909)         (489,599)           Profit/(loss) after tax for the year from continuing operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Profit/(loss) after tax for the year from cliscontinued operations	Dividends income	6	9,675	6,441	349,695	2,296,398
Selling and distribution expenses	Other operating income	7i	1,228,233	2,355,961	1,404,295	1,676,090
Administrative expenses         8         (7,713,569)         (6,572,567)         (2,461,908)         (1,936,029)           Operating profit/(loss)         3,597,309         5,666,413         (3,497,470)         (667,349)           Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance cost         9         (501,830)         (991,174)         1,435,793         2,641,095           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture using the equity method         18         973,316         -<	Other operating losses	7ii	(140,797)	(297,223)	(3,547,999)	(3,462,569)
Operating profit/(loss)         3,597,309         5,666,413         (3,497,470)         (667,349)           Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance cost         9         (501,830)         (991,174)         -         -           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture using the equity method         18         973,316         -         -         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746         1,000	Selling and distribution expenses	8	(5,776,661)	(6,453,097)	-	-
Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance cost         9         (501,830)         (991,174)         -         -         -           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture using the equity method         18         973,316         -         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746           Income Tax Expense         10         (1,662,581)         (2,110,943)         (413,909)         (489,599)           Profit/(loss) after tax for the year from continued operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations         36         469,662         (14,601,729)         -         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         1         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354	Administrative expenses	8	(7,713,569)	(6,572,567)	(2,461,908)	(1,936,029)
Finance income         9         1,052,050         2,781,020         1,435,793         2,641,095           Finance cost         9         (501,830)         (991,174)         -         -         -           Net finance income         550,220         1,789,846         1,435,793         2,641,095           Share of profit of associates and joint venture using the equity method         18         973,316         -         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746           Income Tax Expense         10         (1,662,581)         (2,110,943)         (413,909)         (489,599)           Profit/(loss) after tax for the year from continued operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations         36         469,662         (14,601,729)         -         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         1         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354	Operating profit/(loss)		3,597,309	5,666,413	(3,497,470)	(667,349)
Net finance income   550,220   1,789,846   1,435,793   2,641,095	Finance income	9		2,781,020	1,435,793	2,641,095
Share of profit of associates and joint venture using the equity method   18   973,316   -   -   -   -   -   -   -   -   -	Finance cost	9	(501,830)	(991,174)	-	-
using the equity method         18         973,316         -         -         -           Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746           Income Tax Expense         10         (1,662,581)         (2,110,943)         (413,909)         (489,599)           Profit/(loss) after tax for the year from continuing operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) after tax for the year from discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         Items not to be subsequently recycled to profit or loss         1         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of associates and joint venture using the equity method         71,460         -         -         -           Other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax	Net finance income		550,220	1,789,846	1,435,793	2,641,095
Profit/(loss) before tax         5,120,845         7,456,259         (2,061,677)         1,973,746           Income Tax Expense         10         (1,662,581)         (2,110,943)         (413,909)         (489,599)           Profit/(loss) after tax for the year from continuing operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) after tax for the year from discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         Items not to be subsequently recycled to profit or loss         -         -           Net changes in fair value of financial assets         17         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of associates and joint venture using the equity method         71,460         -         -         -           Other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642	Share of profit of associates and joint venture					
Income Tax Expense	•	18	973,316	-	-	-
Profit/(loss) after tax for the year from continuing operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations           Profit/(loss) after tax for the year from discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         Items not to be subsequently recycled to profit or loss         1         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of associates and joint venture using the equity method         71,460         -         -         -         -           Other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642)         (2,316,232)         1,482,918           Profit/(loss) attributable to:         Equity holders of the parent         2,651,431         (5,307,933)         (2,475,586)         1,484,147           Non controlling interests         1,276,495         (3,948,480)         -         -         -	Profit/(loss) before tax		5,120,845	7,456,259	(2,061,677)	1,973,746
continuing operations         3,458,264         5,345,316         (2,475,586)         1,484,147           Discontinued operations           Profit/(loss) after tax for the year from discontinued operations         36         469,662         (14,601,729)         -         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         Items not to be subsequently recycled to profit or loss         17         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of associates and joint venture using the equity method         71,460         -         -         -         -           Other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642)         (2,316,232)         1,482,918           Profit/(loss) attributable to:         Equity holders of the parent         2,651,431         (5,307,933)         (2,475,586)         1,484,147           Non controlling interests         1,276,495         (3,948,480)         -         -         -	Income Tax Expense	10	(1,662,581)	(2,110,943)	(413,909)	(489,599)
Discontinued operations           Profit/(loss) after tax for the year from discontinued operations         36         469,662         (14,601,729)         -	Profit/(loss) after tax for the year from					
Profit/(loss) after tax for the year from discontinued operations 36 469,662 (14,601,729)	continuing operations		3,458,264	5,345,316	(2,475,586)	1,484,147
discontinued operations         36         469,662         (14,601,729)         -         -           Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:           Items not to be subsequently recycled to profit or loss         17         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of associates and joint venture using the equity method         71,460         -         -         -           Other comprehensive income/(loss) for the year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642)         (2,316,232)         1,482,918           Profit/(loss) attributable to:         Equity holders of the parent         2,651,431         (5,307,933)         (2,475,586)         1,484,147           Non controlling interests         1,276,495         (3,948,480)         -         -         -	Discontinued operations					
Profit/(loss) for the year         3,927,926         (9,256,413)         (2,475,586)         1,484,147           Other comprehensive income:         Items not to be subsequently recycled to profit or loss         Items not to profit or loss         Items	Profit/(loss) after tax for the year from					
Other comprehensive income:  Items not to be subsequently recycled to profit or loss  Net changes in fair value of financial assets 17 159,354 (1,229) 159,354 (1,229)  Share of other comprehensive income of associates and joint venture using the equity method 71,460  Other comprehensive income/(loss) for the year net of tax 230,814 (1,229) 159,354 (1,229)  Total comprehensive income/(loss) for the year net of tax 4,158,740 (9,257,642) (2,316,232) 1,482,918  Profit/(loss) attributable to: Equity holders of the parent 2,651,431 (5,307,933) (2,475,586) 1,484,147  Non controlling interests 1,276,495 (3,948,480)	discontinued operations	36	469,662	(14,601,729)	-	_
Items not to be subsequently recycled to profit or loss	Profit/(loss) for the year		3,927,926	(9,256,413)	(2,475,586)	1,484,147
Net changes in fair value of financial assets   17	Other comprehensive income:					
Net changes in fair value of financial assets         17         159,354         (1,229)         159,354         (1,229)           Share of other comprehensive income of asssociates and joint venture using the equity method         71,460         -	Items not to be subsequently recycled to					
Share of other comprehensive income of asssociates and joint venture using the equity method       71,460       -       -       -         Other comprehensive income/(loss) for the year net of tax       230,814       (1,229)       159,354       (1,229)         Total comprehensive income/(loss) for the year net of tax       4,158,740       (9,257,642)       (2,316,232)       1,482,918         Profit/(loss) attributable to:       Equity holders of the parent       2,651,431       (5,307,933)       (2,475,586)       1,484,147         Non controlling interests       1,276,495       (3,948,480)       -       -       -	profit or loss					
asssociates and joint venture using the equity method 71,460  Other comprehensive income/(loss) for the year net of tax 230,814 (1,229) 159,354 (1,229)  Total comprehensive income/(loss) for the year net of tax 4,158,740 (9,257,642) (2,316,232) 1,482,918  Profit/(loss) attributable to:  Equity holders of the parent 2,651,431 (5,307,933) (2,475,586) 1,484,147  Non controlling interests 1,276,495 (3,948,480)	Net changes in fair value of financial assets	17	159,354	(1,229)	159,354	(1,229)
method       71,460       -       -       -       -         Other comprehensive income/(loss) for the year net of tax       230,814       (1,229)       159,354       (1,229)         Total comprehensive income/(loss) for the year net of tax       4,158,740       (9,257,642)       (2,316,232)       1,482,918         Profit/(loss) attributable to:       Equity holders of the parent       2,651,431       (5,307,933)       (2,475,586)       1,484,147         Non controlling interests       1,276,495       (3,948,480)       -       -       -	Share of other comprehensive income of					
Other comprehensive income/(loss) for the year net of tax 230,814 (1,229) 159,354 (1,229)  Total comprehensive income/(loss) for the year net of tax 4,158,740 (9,257,642) (2,316,232) 1,482,918  Profit/(loss) attributable to:  Equity holders of the parent 2,651,431 (5,307,933) (2,475,586) 1,484,147  Non controlling interests 1,276,495 (3,948,480)						
year net of tax         230,814         (1,229)         159,354         (1,229)           Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642)         (2,316,232)         1,482,918           Profit/(loss) attributable to:         Equity holders of the parent         2,651,431         (5,307,933)         (2,475,586)         1,484,147           Non controlling interests         1,276,495         (3,948,480)         -         -         -	method		71,460	-	-	-
Total comprehensive income/(loss) for the year net of tax         4,158,740         (9,257,642)         (2,316,232)         1,482,918           Profit/(loss) attributable to:         Equity holders of the parent         2,651,431         (5,307,933)         (2,475,586)         1,484,147           Non controlling interests         1,276,495         (3,948,480)         -         -         -	Other comprehensive income/(loss) for the					
year net of tax       4,158,740       (9,257,642)       (2,316,232)       1,482,918         Profit/(loss) attributable to:       Equity holders of the parent       2,651,431       (5,307,933)       (2,475,586)       1,484,147         Non controlling interests       1,276,495       (3,948,480)       -       -       -	year net of tax		230,814	(1,229)	159,354	(1,229)
Profit/(loss) attributable to:         Equity holders of the parent       2,651,431 (5,307,933) (2,475,586) 1,484,147         Non controlling interests       1,276,495 (3,948,480)	Total comprehensive income/(loss) for the					
Equity holders of the parent       2,651,431       (5,307,933)       (2,475,586)       1,484,147         Non controlling interests       1,276,495       (3,948,480)       -       -       -	year net of tax		4,158,740	(9,257,642)	(2,316,232)	1,482,918
Non controlling interests 1,276,495 (3,948,480)	Profit/(loss) attributable to:					
	Equity holders of the parent		2,651,431	(5,307,933)	(2,475,586)	1,484,147
3,927,926 (9,256,413) (2,475,586) 1,484,147	Non controlling interests		1,276,495	(3,948,480)	-	-
		,	3,927,926	(9,256,413)	(2,475,586)	1,484,147

		The G	roup	The Com	npany
	Notes	31 Dec 20 N'000	31 Dec 19 N'000	31 Dec 20 N' 000	31 Dec 19 N' 000
Total comprehensive income/(loss) attributable to:	,				
Equity holders of the parent	,	2,882,245	(5,309,162)	(2,316,232)	1,482,918
Non controlling interests		1,276,495	(3,948,480)	-	_
		4,158,740	(9,257,642)	(2,316,232)	1,482,918
Earnings per share attributable to owners of the parent during the year (expressed in Naira per share):  Basic earnings/(loss) per share					
From continuing operations	12	71	132	(86)	52
From discontinued operations	12	21	(315)	-	-
From profit/(loss) for the year		92	(183)	(86)	52
Diluted earnings/(loss) per share					
From continuing operations	12	71	132	(86)	52
From discontinued operations	12	21	(315)	-	-
From profit/(loss) for the year		92	(183)	(86)	52

# AUDITED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2020** 

		The G	roup	The Cor	npany
	Notes	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N'000
Assets					
Non-current assets					
Property, plant and equipment	13	21,011,834	18,919,587	888,144	699,102
Intangible assets and goodwill	14	1,373,223	1,417,604	10,034	10,203
Investment property	15	2,634,999	2,400,336	2,331,287	2,096,624
Investments in associates and joint ventures	18	13,018,568	-	8,886,167	-
Finance lease receivable	23.1	8,766	-	-	-
Right of use assets	21	488,989	1,116,407	-	-
Debt instrument at amortised cost	19	2,174,304	1,991,907	2,174,304	1,991,907
Equity instrument at fair value through other					
comprehensive income	17	188,125	28,771	188,125	28,771
Investments in subsidiaries	16	-	-	14,615,951	14,563,767
Prepayment	23	48,126	132,960	48,126	131,191
Deferred tax asset	26	38,653	11,619	-	-
Total non-current assets		40,985,587	26,019,191	29,142,138	19,521,565
Current assets					
Inventories	22	20,123,071	16,290,212	3,602	3,602
Trade and other receivables	23	6,500,290	5,015,319	2,599,896	17,677,438
Finance lease receivable	23.1	1,606	-	-	-
Cash and cash equivalents	24	24,272,314	23,891,135	14,803,765	8,126,164
Refund asset	20	14,330	7,384	-	-
Total current assets		50,911,611	45,204,050	17,407,263	25,807,204
Non-current asset held for sale	36	265,496	-	130,000	3,658,420
Assets of disposal group classified as held					
for sale/distribution to owners	36	3,865	36,372,022	-	
Total assets		92,166,559	107,595,263	46,679,401	48,987,189
Equity and Liabilities					
Ordinary share capital	32	1,440,648	1,440,648	1,440,648	1,440,648
Share premium		18,071,545	18,451,844	18,509,120	18,509,120
Contingency reserve		69,571	69,571	-	-
Fair value reserve		258,584	27,770	187,124	27,770
Statutory reserve		91,923	91,923	-	-
Retained earnings		32,710,006	29,997,824	17,030,178	19,793,893
Equity attributable to equity holders of the					
Company		52,642,277	50,079,580	37,167,070	39,771,431
Non controlling interests		8,729,588	10,461,832	-	
Total equity		61,371,865	60,541,412	37,167,070	39,771,431

		The G	iroup	The Cor	npany
	Notes	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N'000
Liabilities					
Non-current liabilities					
Borrowings	25	1,735,284	1,850,583	-	-
Government grant	28	209,040			
Deferred tax liabilities	26	4,486,338	4,150,461	435,991	24,625
Lease liability	21	224,391	455,494	-	-
Provisions	31	6,357	7,387	-	-
Total non-current liabilities		6,661,410	6,463,925	435,991	24,625
			_		
Current liabilities					
Trade and other payables	27	9,829,941	9,760,344	1,219,418	1,120,300
Contract liabilities	29	1,340,627	869,259	159,277	152,775
Current income tax liabilities	10	3,814,160	4,510,936	2,480,618	2,984,185
Bank overdrafts and current portion of					
borrowings	25	2,503,673	4,595,937	-	-
Dividend payable	30	6,084,307	5,517,803	5,127,079	4,843,925
Government grant	28	58,343	50,107	-	-
Lease liability	21	250,926	526,623	-	-
Provisions	31	192,018	95,948	89,948	89,948
Refund liabilities	20	17,195	8,093	-	-
Total current liabilities		24,091,190	25,935,050	9,076,340	9,191,133
Liabilities of disposal group classified as					
held for sale/distribution to owners	36	42,094	14,654,876	-	-
Total liabilities		30,794,694	47,053,851	9,512,331	9,215,758
Total equity and liabilities		92,166,559	107,595,263	46,679,401	48,987,189

The financial statements and the notes on pages 89 to 172 were approved and authorised before issue by the board of directors on 30 March 2021 and were signed on its behalf by:

**Mr. Dan Agbor** Chairman

FRC/2013/NBA/0000001748

**Mr. Folasope Aiyesimoju**Group Managing Director

FRC/2019/IODN/00000019806

Mrs. Funka liaiva-Olad

**Mrs. Funke Ijaiya-Oladipo** Group Chief Financial Officer FRC/2021/001/00000022822

# AUDITED CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

The Group

						dno in air i				
					Attributable	Attributable to owners of the Company	he Company			
	Notes	Share Capital N'000	Share Premium N'000	Contingency Reserve N'000	Fair value Reserve N'000	Revaluation Reserve N'000	Retained Earnings N'000	Total N'000	Non controlling Interest N'000	Total N'000
Balance at 1 January 2019		1,440,648	18,451,844	69,571	33,957	91,923	37,796,850	57,884,793	16,188,587	74,073,380
Loss for the year		1	1	1	1	1	(5,307,933)	(5,307,933)	(3,948,480)	(9,256,413)
Net changes in fair value of										
financial assets	17	ı	ı	ı	(6,187)	1	4,958	(1,229)	ı	(1,229)
Transactions with non-							•	1		•
							-	-		-
Additional acquisition by									(	(
non-controlling interest		I	ı	ı	I	I	1	1	66,639	66,639
Elimination of Non-										
controlling interest after										
disposal of Warm Spring										
Nigeria Limited		1	ı	1	ı	1	1	I	39,269	39,269
Transactions with Equity holders								ı		ı
Movement in retained										
earnings due to loss of										
control		ı	1	1	ı	I	(652,023)	(652,023)	1	(652,023)
Dividends		1	ı	1	ı	1	(1,844,029)	(1,844,029)	(1,884,183)	(3,728,212)
Total equity as at 31 December 2019		1,440,648	18,451,844	69,571	27,770	91,923	29,997,824	50,079,580	10,461,832	60,541,412

	•				Attributable	Attributable to owners of the Company	ле Сотрапу			
	Notes	Share Capital N'000	Share Premium N'000	Contingency Reserve N'000	Fair value Reserve N'000	Revaluation Reserve N'000	Retained Earnings N'000	Total N'000	Non controlling Interest N'000	Total N'000
Total equity at 1 January 2020		1,440,648	18,451,844	69,571	27,770	91,923	29,997,824	50,079,580	10,461,832	60,541,412
Profit for the year		1	1	1		1	2,651,431	2,651,431	1,276,495	3,927,926
Other comprehensive income										
Share of net changes in fair										
associates		•	1	1	71,460	1	1	71,460	1	71,460
Net changes in fair value of financial assets	17	ı	ı	1	159,354	ı	I	159,354	ı	159,354
Transactions with non- controlling interests										
Acquisition of NCI		1	1	1	1	1	(1,258)	(1,258)	(10,126)	(11,384)
Transactions with Equity										
holders										
Dividend accruing to UPDC		I	ı	ı	ı	1	ı	ı	4,901	4,901
Dividends (Note 30)		ı	ı	ı	1	1	(288,130)	(288,130)	(141,130)	(429,260)
Rights issue cost (Note 32)		ı	(380, 299)	ı	1	1	i	(380,299)	ı	(380,299)
Disposal of shareholdings										
in subsidiaries		1	1	ı	ı	ı	(85,797)	(85,797)	744,863	990'659
Additional investment by NCI		ı	ı	ı	1	1	ı	ı	39,200	39,200
Right issue of UPDC										
subscribed (Note 32)		ı	ı	ı	1	1	ı	ı	204,961	204,961
Elimination of NCI after										
disposal of subsidiaries										
(Note 36)		ı	1	1	1	ı	ı	I	(3,992,971)	(3,992,971)
Profit on disposal of First										
Choice Facility Management		ı	1	1	1	ı	435,937	435,937	28,567	464,504
Acquisition of shares in First										
Choice Facility Management		I	I	1	I	-	ı	1	112,996	112,996
Balance at 31 December										
2020		1,440,648	18,071,545	69,571	258,584	91,923	32,710,006	52,642,277	8,729,588	61,371,865

The Group

The Company

		Attributable to	o owners of t	he Company	
	Share Capital N'000	Share Premium N'000	Fair value reserve N'000	Retained Earnings N'000	TOTAL N'000
Balance at 1 January 2019	1,440,648	18,509,120	28,999	20,153,775	40,132,542
Profit for the year	-	-	-	1,484,147	1,484,147
Net changes in fair value of financial assets	-	-	(1,229)	-	(1,229)
Transactions with Equity holders					
Dividends declared	-	-	-	(1,844,029)	(1,844,029)
Balance at 31 December 2019	1,440,648	18,509,120	27,770	19,793,893	39,771,431
Relence et 1 January 2020	1 440 640	10 500 100	07 770	10 702 002	20 771 421
Balance at 1 January 2020	1,440,648	18,509,120	27,770	19,793,893	39,771,431
Loss for the year	-	-	-	(2,475,586)	(2,475,586)
Net changes in fair value of financial assets	-	-	159,354	-	159,354
Dividends declared	-	-	-	(288,130)	(288,130)
Balance at 31 December 2020	1,440,648	18,509,120	187,124	17,030,178	37,167,070

# AUDITED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2020

		The G	roup	The Co	mpany
	Notes	31 Dec 20 N' 000	31 Dec 19 N'000	31 Dec 20 N' 000	31 Dec 19 N' 000
Cash flows from operating activities					
Cash generated from/(used in) operations	33	3,032,163	(1,511,337)	(2,048,236)	(12,945,274)
Corporate tax paid	10	(1,690,382)	(1,550,854)	(236,000)	(29,472)
Net cash flows generated from/(used in) operating activities		1,341,781	(3,062,191)	(2,284,236)	(12,974,746)
Cash flows from investing activities					
Purchase of intangible assets	14	(8,729)	(14,847)	(2,710)	(945)
Purchase of property, plant and equipment	13	(4,495,865)	(2,710,474)	(360,504)	(176,883)
Proceeds from sale of property, plant and					
equipment		119,219	157,257	36,078	53,890
Purchase of investment properties	15	(393)	(1,590)	(393)	(1,590)
Proceeds from disposal of subsidiaries	36	4,556,855	292,094	7,457,068	295,863
Lease prepayment		(81,901)	-	-	-
Proceeds from sale of investment properties		-	1,011,286	-	1,011,286
Dividend received	6	14,576	6,441	349,695	2,296,398
Interest received		1,102,262	2,766,305	1,486,005	2,602,106
Investment in debt securities	19	-	(2,000,503)	-	(2,000,503)
Net cash flows generated from/(used in) investing activities		1,206,022	(494,031)	8,965,239	4,079,622
Cash flows from financing activities		, , -	( - ) /	-,,	,,-
Dividends paid to non-controlling interests	30	(130,404)	(1,589,303)	-	-
Dividends paid to Company shareholders	30	(288,130)	(2,073,296)	(288,130)	(2,073,296)
Proceeds from borrowings	25	5,941,270	4,485,995	-	-
Acquisition of additional interest in subsidiaries		(11,384)	· · ·	(52,184)	(69,360)
Dividend refund	30	566,456	1,020,114	293,831	379,571
Rights issue expenses	32	(380,299)	- -	-	-
Repayment of borrowings	25	(7,926,033)	(3,605,897)	-	-
Interest paid on loans	25	(315,532)	(787,588)	-	-
Repayment of lease liability principal	21	(387,350)	(250,000)	-	-
Interest paid on lease liability	21	(74,259)	(105,917)	-	-
Proceeds from disposal of shares*		577,500	- -	-	-
Proceeds of capital injection by non-					
controlling interest		244,161	66,639	-	-
Net cash flows (used in)/generated from financing activities		(2,184,006)	(2,839,253)	(46,483)	(1,763,086)
Cash & cash equivalents at the beginning of					-
the year		23,938,769	30,334,245	8,173,798	18,832,006
Net increase/(decrease) in cash & cash					
equivalents		363,797	(6,395,475)	6,634,520	(10,658,210)
Cash & cash equivalents at the end of the year	24	24,302,566	23,938,769	14,808,319	8,173,798

<sup>\*</sup>UPDC received this proceed from the disposal of First Choice Facility Management while still retaining control of the entity.



# NOTES TO THE AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Corporate Information

The consolidated financial statements of UAC of Nigeria PLC ('the Company') and its subsidiaries (collectively, the Group) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of directors on 30<sup>th</sup> March 2021.

UAC of Nigeria PLC is a limited company incorporated and domiciled in Nigeria and whose shares are publicly traded. The registered office is located at 1-5 Odunlami Street, Marina, Lagos.

The Group is diversified with activities in the following principal sectors: Animal Feeds and Other Edibles, Paints, Packaged Foods and Beverages, Quick Service Restaurants, Logistics, and Real Estate (See Note 5).

### 2 Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated and separate financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated and separate financial statements have been prepared on a historical cost basis, except for investment properties and equity financial assets that have been measured at fair value.

The consolidated and separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The consolidated and separate financial statements provide comparative information in respect of the previous period.

The financial statements have been prepared on a going concern basis.

The policies set out below have been consistently applied to all the years presented.

### 2.2 Changes in accounting policies and disclosures

### a New and amended standards and interpretations adopted by the Group

In the current year, the Group has adopted the following standard and interpretation that is effective for the current financial year and that is relevant to its operations:

### Definition of Material - Amendments to IAS 1 and IAS 8

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements,

which provide financial information about a specific reporting entity.

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The effective date of the amendment is for annual reporting periods beginning on or after January 1, 2020.

The group has incorporated this definition and guides in preparation of its financial statements.

Other new amendments and interpretations, but do not have an impact on the financial statements of the Group are stated below:

- i) Amendments to IFRS 3 Definition of a business
- ii) Amendments to References to the Conceptual Framework in IFRS Standards
- iii) Covid-19-Related Rent Concessions Amendment to IFRS 16
- iv) Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7

### b New standard, amendments and interpretations not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

- i) Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- ii) Reference to the Conceptual Framework (Amendments to IFRS 3)
- iii) Property, Plant and Equipment Proceeds before Intended Use (Amendments to IAS 16)
- iv) Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37)
- v) IFRS 17 Insurance contract
- vii) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint
- viii) Amendments to IFRS 3 Reference to the Conceptual Framework
- ix) IFRS 9 Financial Instruments Fees in the '10 per cent' test for derecognition of financial liabilities
- x) IAS 41 Agriculture Taxation in fair value measurements

### 2.3 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are carried at cost.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets

acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

All intra-group transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intra-group transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Changes in ownership interests in subsidiaries without loss of control

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

### Disposal of subsidiaries

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

### **Associates and Joint Ventures**

Associates are all entities over which the Group has significant influence but not control, generally a Group has shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made

payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Share of profit/(losses) arising from equity accounting of investment in associates are recognised in the income statement.

### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee of the Company.

### 2.5 Foreign currency translation

a Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira (N), which is the Group's presentation currency.

### b Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within ""Other operating profit and (losses)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss using the exchange rates at the date when the fair value is determined. Translation differences on non-monetary financial assets measured at fair value in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss are recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

### 2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings held for use in the production or supply of goods or services, or for administration purposes, are classified as property, plant and equipment. Land and buildings comprise mainly of factories and offices.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Leasehold properties are depreciated over their useful lives, unless the lease period is shorter, in which case the lease period is used. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Lease terms vary from 5 to 25 years

Plant and machinery 2 to 10 years
Office furniture and equipments 3 to 5 years
Motor vehicles 4 to 10 years
Computer equipments 3 to 5 years

Capital work-in-progress Nil

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

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

Where an indication of impairment exists, 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 (refer to Impairment Note 2.10 for further detail).

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.7 Intangible assets

### a Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to

measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, and then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### b Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to accounting policy on Computer Software below), all internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

### c Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software acquisition and development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives, which does not exceed 5 years.



### 2.8 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The Group makes use of internal and external valuation experts. Each property is valued by an external valuer annually.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments are not recognised in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16.

### 2.9 Financial instruments – initial recognition and subsequent measurement

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

### a Financial assets

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and it is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets includes financial assets at amortised cost and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to subsidiary and loan to a director included under current financial assets.



### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis

Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to
  pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
  and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group
  has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred
  control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.1 and
- Trade receivables, including contract assets Note 2.11

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective

interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### b Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.



Gains or losses on liabilities held for trading are recognised in profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 2.13 and 2.14

### 2.10 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

Disclosures for significant assumptions (Note 4) Property, plant and equipment (Note 13) Intangible assets (Note 14) Goodwill (Note 14)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Impairment is performed in accordance with the policy on impairment of financial assets Note 4.1

If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### 2.12 Cash, cash equivalents and bank overdrafts

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

In the consolidated statement of financial position, bank overdrafts are shown with borrowings in current liabilities.

### 2.13 Borrowings

Interest-bearing bank loans and overdrafts are recorded at fair value, net of direct issue costs.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis through profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### 2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

### 2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.16 Inventories

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

Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.17 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the effect of discounting is material, provisions are discounted and measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

### 2.18 Share capital

Ordinary shares are classified as equity.

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

### **2.19 Taxes**

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

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

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition
  of an asset or liability in a transaction that is not a business combination and, at the time of the transaction,
  affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and
  interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that
  the temporary differences will reverse in the foreseeable future and taxable profit will be available against
  which the temporary differences can be utilised

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

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was



incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Value added tax (VAT)

Expenses and assets are recognised net of the amount of Value added tax (VAT), except:

- When the Value added tax (VAT) incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of Value added tax (VAT) included.
   The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

### 2.20 Employee benefits

### a Defined Contribution schemes

The Group has two defined contribution plans for its employees;

- i) A statutory pension scheme and
- ii) A gratuity scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

### (i) Pension Scheme

The Pensions Reform Act of 2014 requires all companies to pay a minimum of 10% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees to a pension fund administrator.

The contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligation once contributions have been paid.

### (ii) Gratuity Scheme

The Company's gratuity scheme was discontinued in 2018. On the date, accruing assets and obligations of the scheme were transferred to a third party for management and administration.

### (b) Profit-sharing and bonus plans

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board and the expense is recognised in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

### 2.21 Revenue recognition

### Revenue from contracts with customers

The Group is involved in the manufacture and sale of paint, foods and beverages, agricultural business relating to the manufacture and marketing of animal feeds and concentrates, real estate, hotel management, facilities management, rendering of warehousing, distribution and haulage services, managing quick service restaurants through its franchise operations and management services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue streams detailed below.

The disclosure of significant accounting judgement, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.22

At contract inception, the Group assesses the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Company assessed the goods and services as capable of being distinct and as distinct within the context of the contract after considering the following:

- If the customer can benefit from the individual good or service on its own;
- If the customer can use the good or service with other readily available resources;
- If multiple promised goods or services work together to deliver a combined output(s); and
- whether the good or service is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract.

### Sale of paints

The Group manufactures and sells paint and other decorative. Revenue are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 60 days upon delivery.

Delivery occurs when the products have been shipped to specific locations, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Paint is often sold with volume rebates based on aggregate sales over a three months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume rebates.

The Group normally transfers the products to customers' premises as part of the sales incentive which is a logistics discount. The logistic discount which is the transport cost paid on behalf of the customer is recognised as a reduction to revenue for the related goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any).

In determining the transaction price for the sale of hardware, the Group considers the existence of significant financing components and consideration payable to the customer (if any).

### Sale of food and beverages

Contracts for the sale of food and beverages begins when goods have been delivered to the customer and revenue is recognised at the point in time when control of the goods has been transferred to the customer, generally on delivery of the goods.

The normal credit term is 5 days upon delivery for food items, 60 days for key account customers and bottled water for 60days.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any).

In determining the transaction price for the sale of food and beverages, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

### Sale from restaurant

Sale of goods arises from the sale of pastries, seasonings and confectionaries from the corporate central kitchens. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are delivered to the customer or picked up by the customers. This is at a point in time.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sale of pastries is recognised based on the price specified in the contract, net of the estimated returns. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

### Sale of animal feeds and concentrates

Contract for the sale of animal feeds and concentrates begins when goods have been delivered to the customer and revenue is recognised at the point in time when control of the goods has been transferred to the customer, generally on delivery of the goods.

The normal credit term is 90 days upon delivery.

### Sale of properties

The Group builds properties to sell. The Group either sells a completed property or a carcass. For a carcass, the customer buys and completes the property.

The Group recognises revenue at a point in time when control is transferred to the customer. Control is transferred when the customer pays the full price of the property.

The Group gives its customers a credit period of 90 days when an instalment payment is outstanding.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price, the Group considers the effects of the existence of significant financing component.

In determining the transaction price, the Group considers the effects of the existence of significant financing component.

### Service and management fees

The Group provides management services on rented and sold out properties to customers.

The Group recognises revenue overtime because as the Group renders the management services, the customer simultaneously receives and consumes the benefits.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price, the Group considers the effects of the existence of significant financing component.

### **Commercial service fees**

Commercial service fees are fees earned on management services rendered to Group entities. These services include but are not limited to; legal/Group secretarial and human resources support.

These services have been assessed as a single performance obligation because these services are individually distinct but within the context of the contract, are not distinct and thus have been bundled into one performance obligation.

The Group recognises revenue from commercial services rendered to related party over time because the customer simultaneously receives and consumes the benefits provided by the Group.

To measure progress towards completion of the performance obligation, the Group uses the output method.

### Rendering of warehousing, distribution and haulage services

Contract for the rendering of warehousing, distribution and haulage services begins when the Group has satisfied the customer of its performance obligation. The Group recognises revenue over time as the performance obligation is being satisfied for warehousing services.

Revenue for distribution and haulage services is recognised at a point in time, when the performance obligation is fully satisfied.

A valid contract is recognised as revenue after the contract is approved by the parties, rights and obligations are recognised, collectability is probable, the contract has commercial substance and the payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract.

The Group is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

### Rendering of services based on Franchise agreement

The sale-based franchise fees (royalties) are recognised at the later of when the sale occurs (provided there is no expectation of a subsequent reversal of the revenue); or the performance obligation to which some or all of the sales-based royalty has been allocated is satisfied (in whole or in part).

An agreed royalty rate is charged on the Net Proceeds on Sale (NPS) declared by each franchisee and recognised in the books as royalty income.

The Group recognises revenue from royalty rates and franchise fees overtime.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any).

### Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of paint and other decorative provide customers with a right of return and usage based fees (management fee). The rights of return and usage based fees give rise to variable consideration.

### Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. Some contracts for the sale of Animal feeds, sales of food and beverages, paints provide customers with a right of return and volume rebates.

In addition, the Group offers its customers a right of return depending on if products are expired or defective in production. When a contract provides a customer with a right to return the goods within a specified period, the consideration received from the customer is variable because the contract allows the customer to return the products.

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled.

The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

### Assets and liabilities arising from rights of return

### Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers.

The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price)

at the end of each reporting period. Refer to above accounting policy on variable consideration.

### **Customer usage**

The Group has contracts where support staffs are located in the colour centres/shops that belongs to its numerous customers. The fee charged is based on a constant rate on sales made by the customer.

The total transaction price of service cost rendered by Group would be variable since the contracts have range of possible transaction prices arising from different volume purchased even though the rate per unit/band is fixed.

The Group estimates the variable consideration using the expected value (i.e, a probability weighted amount) because this method best predicts the amount of consideration.

### **Application of paint**

The Group provides service of application of paints to its customers. Also, the Group supports it colour centres/ shops that belong to its customers with staffs and equipment in which it receives constant rate management fees based on sales made by the customer.

Such services are recognised as a performance obligation satisfied over time. Revenue is recognised by measuring progress using the input method that is labour hours.

Using the practical expedient in IFRS 15 for the application of paint, the Group has elect to recognise revenue based on the amount invoiced to the customer since the Group has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

### Volume incentives and logistics discounts

When customers meet a set target in a particular month the Group gives a volume incentive. This is based on a percentage of what he achieves and it is credited to the customer's account which is determined at the inception of the contract.

The Group pays logistics fees on behalf of the customers each time the customer transports his goods himself. The Group already treats this as a reduction in sales which is in line with IFRS 15.

### Consideration payable to the customer

Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to its customer in form of logistics discounts granted to some of its customers upon execution of the some of its service contract.

The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

The Group recognise the reduction of revenue when (or as) the later of either of the following events occurs:

- the entity recognises revenue for the transfer of the related goods or services to the customer; and
- the entity pays or promises to pay the consideration (even if the payment is conditional on a future event). That promise might be implied by the entity's customary business practices.

### Non-refundable upfront fees

In certain circumstances, the Group may receive payments from customers before they provide the contracted service or deliver a good. The up-front fees relates to an activity that the Group is required to undertake in order to fulfil the contract which result in the transfer of a promised good or service to the customer. The non-refundable up-front fees are paid at or near contract inception – e.g. set-up fees for project integration, required scheme testing, training or other payments made at contract inception.

The Group considers the upfront fee to be part of the consideration allocable to the goods or services in the contract and would be recognised when (or as) the good or service to which the consideration was allocated is transferred to the customer. Since the set-up activities satisfy a performance obligation, the Group recognised the related costs when measuring progress.

When the Group receives consideration that is attributable to a customer's unexercised rights, the Group will recognise contract liability equal to the amount prepaid by the customer for the performance obligation to transfer, or to stand ready to transfer, goods or services in the future. Revenue would be recognised when the entity satisfies its performance obligation.

### **Principal vs Agent consideration**

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

### **Contract balances**

### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.9 Financial instruments – initial recognition and subsequent measurement.

### 2.22 Significant accounting judgements, estimates and assumptions on IFRS 15

### Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

### Determining the timing of satisfaction of application of paints

The Group concluded that revenue for application of paint is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring progress of the application of paint services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

### Determining the timing of satisfaction of sales of paint

The Group concluded that revenue for sales of paint is to be recognised as a point in time; when the customer obtains control the paint. The Group assess when control is transfer using the indicators below:

- The Group has a present right to payment for the paint;
- The customer has legal title to the paint;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the paint; and
- The customer has accepted the asset



### Determining the timing of satisfaction of sales of properties.

The Group concluded that revenue from sales of properties will be recognised at a point in time because the sale does not meet the requirements of being satisfied overtime. The Group has assessed that a customer obtains control of the property when the Group has transferred physical possession of the property to the Customer.

The Group has elected to use the output method to measure its progress. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has determined that the output method faithfully depicts its performance in transferring control of the property to the customer and, the method directly measures the value of the property being transferred to the customer.

### Determining the timing of satisfaction of sales of food and beverages

The Group concluded that revenue for sales of foods and beverages is to be recognised as a point in time; when the customer obtains control the goods. The Group assesses when control is transferred using the indicators below:

- The Group has a present right to payment for the goods;
- The customer has legal title to the goods;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the goods

### Determining the timing of satisfaction of sales of feeds and concentrates

The Group concluded that revenue for sales of feeds and concentrates is to be recognised as a point in time; when the customer obtains control the goods. The Group assess when control is transferred using the indicators below:

- The Group has a present right to payment for the goods;
- The customer has legal title to the goods;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the goods

### Determining the timing of satisfaction of service and management fees

The Group concluded that revenue earned from rendering management services on leased or sold properties will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the output method faithfully depicts its performance in transferring control of the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

### Determining the timing of satisfaction of Commercial services to related party.

The Group concluded that revenue from commercial services rendered to related parties will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the output method is the best method in measuring progress rendering the services to the customer. The output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

### Determining the timing of satisfaction of Management Services on Lease Agreements

The Group concluded that revenue from management services on lease agreements will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the input method will effectively capture UACN's efforts to render the services. Such efforts include cost incurred to render the services.

The Group has a formal agreement with one of its subsidiaries, MDS Logistics to distribute goods on its behalf. However, UFL establishes the price for the products. Where products remain unsold and expires, UFL writes the value off in its books. UFL pays a service charge to MDS Logistics for services rendered.

Therefore, the Group determined that it is principal in these contracts.

- The Group bears the risk of inventory. It takes responsibility for goods that have expired in the hands of MDS logistics.
- The Group has discretion in establishing the price of the goods sold by MDS logistics which indicates control.
- The Group has the flexibility in setting the prices in order to generate additional revenue from its service of arranging for goods or services to be provided by the telecommunication entity to customers.

### Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of paint include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of paint with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of paint with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### Company

### (i) Management fees

Revenue for the company represents management fees charged to group entities for services provided such as legal/company secretarial and human resources support. Revenue is recognised as the services are completed.

### (ii) Dividend income

Dividend income is recognised once the right to receive payment has been established, which is generally when shareholders approve the dividend.

### 2.24 Cash Dividend and Non-cash distribution to equity holders of the parent.

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. In respect of interim dividends these are recognised once paid.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

### 2.25 Government grant

Government Grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with the conditions attaching to it.

Where a government grant is related to income, it is classified under the heading 'other gains' in the statement of comprehensive income. Where the grant is related to expenses, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

For government loans obtained at below market rates of interest and treated as government grants, the loan is recognised and measured in line with IFRS 9 and any resulting difference between the measurement of the grant and the actual proceeds received is capitalised as deferred income. Where the grant is intended to assist in the acquisition of an asset, the deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants related to non-monetary assets are stated at fair value. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

### 2.26 Fair value measurement

The Group measures non-financial assets such as investment properties at fair value at each reporting date. Available for sale financial assets are also carried at fair value at the Group level.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 3 Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, debt instruments and cash and bank balances that are derived directly from its operations.

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and loans and borrowings.

### (i) Foreign exchange risk

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar as a result of importing key raw materials. Foreign exchange risk arises from future commercial transactions. There are limited exposures to recognised assets and liabilities and net investments in foreign operations.

The Group does not make use of derivatives to hedge its exposures. Although the Group has various measures to mitigate exposure to foreign exchange rate movement, over the long term however, permanaent changes in exchange rates will have an impact on profit. The Group monitors movement in the currency on an on-going basis.

The group manages this risk through adequate planning and timing of its foreign exchange transactions and funding of its domiciliary accounts

The Group's concentration of foreign exchange exposure is as follows:

GROUP		31 D	ecember 2020		
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt securities (Net)	-	2,174,304	-	-	2,174,304
Trade receivables (Net)	2,609,207	91,790	-	-	2,700,997
Cash and short-term deposits	23,393,862	854,082	24,251	119	24,272,314
	26,003,069	3,120,176	24,251	119	29,147,615
Financial liabilities					
Long term borrowings	1,735,284	-		-	1,735,284
Trade and other payables	4,022,451	59,298	-	-	4,081,749
	5,757,735	59,298	-	-	5,817,033

GROUP	31 December 2019				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Trade receivables (Net)	1,895,584	-	-	-	1,895,584
Cash and short-term deposits	23,728,564	129,813	32,759	-	23,891,136
	25,624,148	129,813	32,759	-	25,786,720
Financial liabilities					
Long term borrowings	1,850,583	-	-	-	1,850,583
Trade and other payables	5,003,051	-	-	-	5,003,051
	6,853,634	-	-	-	6,853,634

	GROUP		
	31-Dec-20 N'000	31-Dec-19 N'000	
The total impact on profit if Naira was to depreciate by 10%/(5%) across			
currencies would be as follows:	91,094	(38,952)	
The total impact on profit if Naira was to appreciate by 10%/(5%) across			
currencies would be as follows:	(91,094)	38,952	

Management considers a 10% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets.

COMPANY	31 De	cember 2020

	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt at ammortised cost		2,174,304	-	-	2,174,304
Cash and short-term deposits	14,733,920	67,827	2,018	-	14,803,765
Intercompany receivables		20,513			20,513
	14,733,920	2,262,644	2,018	-	16,998,582

	31 December 2019				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets	·				
Debt at ammortised cost	-	1,991,907	-	-	1,991,907
Cash and short-term deposits	8,121,583	3,231	1,350	-	8,126,164
	8,121,583	1,995,138	1,350	-	10,118,071

	COMPANY		
	31-Dec-20 N'000	31-Dec-19 N'000	
The total impact on profit if Naira was to depreciate by (10%)/5% across			
currencies would be as follows:	(114,787)	(35,886)	
The total impact on profit if Naira was to appreciate by (10%)/5% across			
currencies would be as follows:	114,787	35,886	

Management considers a 5% shift in foreign currency exchange rate is appropriate to determine the sensitivity of foreign currency denominated financial assets.

### (ii) Equity Price Risk

The Group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated financial position as equity instrument at fair value through other comprehensive income and investments in subsidiaries held by the Company. The impact on equity if the price of the equity instrument measured at fair value through other comprehensie income was to appreciate/depreciate by 10% will be +/- N 18.813million (2019: N2.88million).

### (iii) Commodity Price Risk

The Group is exposed to the commodity price risk of grains (maize, soya beans and wheat) due to seasonal trends and the availability of harvest produce. The Group does not hedge this risk. There are operational controls in place to monitor qualities and to ensure that adequate quantities are procured and stored in silos and warehouses in the harvest seasons for the gradual milling during the year. In case of local crop failure resulting in shortages, importation is undertaken.

Sensitivity to commodity price is immaterial

### (iv) Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The individual boards of each business unit within the group set their own borrowing limits under Group guidance. No formal Group limit

policy exists at this stage.

Group treasury monitors interest rate and borrowing exposures and weighted averages for the entire Group on a monthly basis. This is analysed and reviewed by the Board on a quarterly basis.

	GROUP	
	31-Dec-20 N'000	31-Dec-19 N'000
The total impact on profit or loss and equity if interest rates were to decrease		
by 500 basis points would be as follows:	86,764	92,529
The total impact on profit or loss and equity if interest rates were to increase by		
500 basis points would be as follows:	(86,764)	(92,529)

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

### Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes below. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31-Dec-20			Trad	е			
	Days past due						
	Current N'000	<90 days N'000	90 - 180 days N'000	180 - 360 days N'000	>360 days N'000	Total N'000	
Expected credit loss rate	1.70%	21.45%	41.50%	55.90%	100.00%		
Estimated total gross							
Carrying amount at default	2,440,386	223,950	107,696	143,290	976,706	3,892,028	
Expected credit loss	41,491	48,035	44,699	80,100	976,706	1,191,031	
31-Dec-19							
Expected credit loss rate	7.17%	15.92%	33.69%	34.61%	72.55%		
Estimated total gross							
Carrying amount at default	1428246	13688	91529	159115	1433778	3,126,356	
Expected credit loss	102,424	2,179	30,835	55,068	1,040,265	1,230,771	

Set out below is the movement in the allowance for expected credit losses of trade receivables:

In thousands of Naira	2020	2019
Balance as at 1 January	1,230,771	1,693,208
Reversal of allowance for receivables impairment	(522)	(181,754)
Allowance for receivables impairment	78,269	
Amount written off	(117,487)	-
Assets held for sale	-	(280,683)
Balance at 31 December	1,191,031	1,230,771

### Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for short-term deposits and other recivables. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product



type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in the Summary of significant accounting policies and in Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and units verify the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2019 and 31 December 2020.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations.

31-Dec-20

	31-Dec-20						
Key drivers		ECL	Grou	p/Company			
	Assigned Probabilities	Scenario	2020	2021	2022		
Oil Price							
	10%	Upturn	52	50	51		
	81%	Base	50	48	50		
	9%	Downturn	49	47	48		
Unemployment rate %							
	10%	Upturn	27	30	30		
	81%	Base	30	33	33		
	9%	Downturn	30	33	34		
Inflation rate %							
	10%	Upturn	13	10	9		
	81%	Base	15	12	10		
	9%	Downturn	18	15	13		

31 December 2019

Key drivers		ECL	Grou	p/Company	
	Assigned Probabilities	Scenario	2019	2020	2021
Oil Dries 9/					
Oil Price %					
	10%	Upturn	56	57	57
	80%	Base	54	55	55
	10%	Downturn	51	53	53
Unemployment rate %					
	10%	Upturn	26	26	26
	80%	Base	34	34	34
	10%	Downturn	36	36	36
Inflation rate %					
	10%	Upturn	11	11	11
	80%	Base	12	12	12
	10%	Downturn	12	12	12

The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-20		Group			Com	pany	
	Short-term deposits N°000	Debt instrument at amortised cost (Note 19) N'000	Total N'000	Short-term deposits N'000	Intercompa- ny & related party receiv- ables N'000	Debt instrument at amortised cost (Note 19) N'000	Total N'000
Upside (10%)	3,025	2,958	5,983	427	2,814	2,958	6,198
Base (81%)	24,504	24,911	49,415	3,648	23,698	24,911	52,257
Downturn (9%)	2,723	3,202	5,924	479	3,046	3,202	6,727
Total	30,252	31,070	61,322	4,554	29,557	31,070	65,181

31-Dec-19		Grou	р			Company	
	Short-term deposits N'000	Debt instrument at amortised cost (Note 19) N'000	Total N'000	Short-term deposits N'000	Intercompa- ny receiv- ables N'000	Debt instrument at amortised cost (Note 19) N'000	Total N'000
Upside (10%)	5,240	2,564	7,804	5,240	16,925	2,564	24,729
Base (80%)	38,108	18,649	56,757	38,108	123,088	18,649	179,844
Downturn (10%)	4,287	2,098	6,385	4,287	13,847	2,098	20,232
Total	47,635	23,311	70,946	47,634	153,860	23,311	224,805

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

			GRO	UP		
At 31 December 2020	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Borrowings	-	2,113,035	510,306	1,999,230	-	4,622,571
Lease liabilities	-	-	200,875	274,442	-	475,317
Trade and other payables	712,295	8,041,748	468,425	-	-	9,222,468
Accruals	-	-	-	-	-	-
Dividend payable	6,084,307	-	-	-	-	6,084,307
<u> </u>	6,796,602	10,154,783	1,179,606	2,273,672	-	20,404,663

			GRO	UP		
At 31 December 2019	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Borrowings	-	631,486	4,593,502	2,053,735	-	7,278,723
Lease liabilities	-	172,794	515,291	804,093	80,358	1,572,536
Trade and other payables*	-	4,844,948	4,454,927	-	-	9,299,875
Dividend payable	5,806,856	-	-	-	-	5,806,856
	5,806,856	5,649,228	9,563,720	2,857,828	80,358	23,957,990

			COMP	PANY		
At 31 December 2020	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Dividend payable	5,127,079	-	-	-	-	5,127,079
Other payables	-	1,138,448	-	-	-	1,138,448
	5,127,079	1,138,448	-	-	-	6,265,527
At 31 December 2019						
Dividend payable	4,843,925	-	-	-	-	4,843,925
Other payables	-	1,087,823				1,087,823
	4,843,925	1,087,823	-	-	-	5,931,748

<sup>\*</sup>This excludes all statutory payments.

The Company does not have any exposure to borrowings, lease liabilities, trade payables, other payables, accruals etc

### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent and non controlling interest.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt capital divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position including non controlling interest. The Group has a debt/equity threshhold of 0.6 times.

	31-Dec-20	31-Dec-19
Interest bearing debt	4,238,957	6,446,520
Total equity	61,371,865	60,541,412
Total capital	65,610,822	66,987,932
	_	
Gearing ratio (%)	7	11

### 3.3 Fair value estimation

Financial instruments are normally held by the group until they close out in the normal course of business. Most of the fair values of the group's financial instruments approximate their carrying values. The maturity profile of short term liabilities fall due within 12 months. The maturity profile of long-term liabilities, are as disclosed in Note 3.1 (c) of these annual financial statements.

Short-term borrowings are measured at amortised cost using the effective interest rate method and the carrying amounts approximate the fair value. Fair valuation of borrowings was done using the income approach. This approach entails a calculation of the present value of expected future cash flows. The fair value hierarchy for borrowings is level 3 (see below table)

Due to their short term nature, there are no significant differences between the carrying values and the fair values of financial assets and liabilities, except for intra-group loans at company level which are eliminated on consolidation.

There are no significant differences between the carrying values and the fair values of financial assets and liabilities, except for intra-group loans at company level which are eliminated on consolidation.

The table below sets out the classification of each class of financial assets and liabilities, as well as a comparison to their fair values. The different fair value levels are given below:

Level 1: Quoted prices in active markets for identical assets or liabilities, for identical assets or liabilities that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Note 36 provides the fair value measurement hierarchy of the Group's assets and liabilities for the year ended 31 December 2020.

### i) Assets measured at fair values

### a) Investment properties

The valuation techniques used and key inputs to valuation of investment properties have been disclosed on Note 39.

### Significant unobservable valuation input:

Price per square metre

N20,000 - N85,000



Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

### b) Equity instrument at fair value through Other Comprehensive Income

The valuation techniques used and key inputs to the fair value of equity instrument have been disclosed on Note 36.

### ii) Liabilities for which fair values are disclosed

The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method and by discounting at the relevant borrowing rate of each obligor as at the end of the reporting period. The own non-performance risk as at 31 December 2020 was assessed to be insignificant.

The following table presents the Group's financial assets and liabilities showing the carrying amount and the fair value:

		GR	OUP	
	31-Dec	:-20	31-Dec	-19
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Equity held at fair value through OCI	188,125	188,125	28,771	28,771
	188,125	188,125	28,771	28,771
Liabilities				
Bank overdrafts and current portion of				
borrowings	1,735,284	1,735,284	4,595,937	4,247,604
Long term borrowings	2,503,673	2,503,673	1,850,583	1,237,531
	4,238,957	4,238,957	6,446,520	5,485,135

### 4 Significant judgements, estimates and assumptions

### 4.1 Significant estimates and sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### a) Investment Property

The Group uses a combined approach of valuing investment properties using professionally qualified experts. For breakdowns of the properties valued using each of this refer to Note 15

Management makes use of a number of methods to assess the fair value of investment property:

- Open market value
- Direct market comparison approach
- Current replacement cost approach

For purposes of the fair value recognised in the financial statements the open market method is adopted. The

Open market value method falls under the "market approach" as stipulated in IFRS 13

To obtain the open market value the following were considered:

- Market participants
- The property is freely exposed to the market
- A reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market
- No account is to be taken of an additional bid by a special purchaser

### b) Estimates of useful lives and residual values

The estimates of useful lives and residual values of PPE impact the annual depreciation charge.

The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

### c) Impairment Testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in use and fair value less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact estimations and may require a material adjustment to the carrying value of intangible and tangible assets.

The Group reviews and tests the carrying value of assets when events of changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occured, estimates are prepared for expected future cash flows for each group of assets. Expected future cashflows used to determine the value-in-use of intangible and tangible assets are inherently uncertain and could materially change over time.

### d) Provisions

Provisions were raised and management determined a best estimate of amount based on the information available. Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates. Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which requires management estimation.

The Group is required to record provisions for legal or constructive contingencies when the contingency is probable of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

### e) Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### (f) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

### Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost (due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.1 (b), which also sets out key sensitivities of the ECL to changes in these elements.

### **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### Revenue recognition

Sale of constructed properties require detailed judgements. Each transaction is assessed to determine under IFRIC 15 whether revenue should be recognised when the significant risks and rewards pass to the buyer or over time as construction takes place. All of the projects in the periods presented were identified as being the sale of goods and therefore revenue was only recognised when the significant risks and rewards had passed.

The significant risks and rewards were identified as having passed when the buyer had taken possession or control of the properties. Transfer of legal title in the market is time consuming and is seen only as an administrative step and not as a pre-requisite for revenue recognition.

### Investment in associate

1) UPDC: On 3 August 2020, UAC entered into a binding agreement with Custodian Investment PLC regarding the acquisition of a 51% stake in UPDC to be completed in two tranches. The first tranche, representing a 5.1% stake was completed in September 2020. The sale of the second tranche of UPDC shares representing a 45.9% stake was concluded on 17 November 2020. UAC received N6.6 billion in cash proceeds and now owns a 42.85% stake in UPDC.

- 2) UPDC REIT: In 2020, UPDC embarked on a process to unbundle its holdings in UPDC Real Estate Investment Trust (UPDC REIT) to all its shareholders. This initiative was aimed at maximising returns to all UPDC's shareholders by providing direct access to the steady and regular dividend distributions of UPDC REIT. UAC, as a shareholder of UPDC, received 649 million UPDC REIT units, valued at N3.6 billion, on 31 December 2020.
- 3) **MDS Logistics:** In January 2020 8% of UACN's 51% stake in MDS was disposed resulting in the loss of control of the entity. Consequently, MDS is recognised as an associate of the group with a 43% shareholding.

### **Going Concern**

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management has considered the existing and anticipated effects of the coronavirus outbreak on its activities in its assessment and we are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

### Property lease classification - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains

substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

### Assets held for sale

The Board of Directors took the following decisions in respect of its investments in subsidiaries:

UNICO: Voluntary winding up of UNICO CPFA which commenced in 2018. The company is thus in liquidation.

The Board considered the subsidiary to meet the criteria to be classified as held for sale at the reporting date for the following reasons:

- They are available for immediate sale and can be sold to the buyer in its current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification
- A potential buyer has been identified and negotiations as at the reporting date are at an advance stage
- Respective Board approvals have been obtained for above entities

### 5. Segment Analysis

### The Group

The chief operating decision-maker has been identified as the Executive Committee (Exco), made up of the management of the Company. The Exco reviews the Group's internal reporting in order to assess performance and allocate resources.

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

**Animal Feeds & Other Edibles** - Made up of business units involved in the manufacturing and sale of livestock feeds and edible oil.

**Paints** - Made up of business units involved in the manufacturing and sale of paints products and other decoratives.

**Packaged Food & Beverages** - Made up of a business unit involved in the manufacturing and sale of bottled water, snacks and ice-cream.

**QSR (Quick Service Restaurants)** - Made up of a business unit involved in the making and sale of snacks and meals.

**Logistics** - Made up of a business unit involved in rendering logistics and supply chain services including warehousing, transportation and redistribution services.

Real Estate - Made up of a business unit involved in real estate development and hospitality.

Others - This is a non-reportable segment made up of the corporate head office.

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The following measures are reviewed by Exco; with Profit Before Tax taken as the segment profit.

- Revenue to third parties
- Operating profit
- Profit before tax
- Property, plant and equipment
- Net assets

31 December 2020	Animal Feeds & Other Edibles	Paints N' 000	Packaged Food & Beverages	QSR N' 000	Logistics N' 000	Real Estate	Others N. 000	Total N' 000
Revenue from contracts with customers	54,223,556	10,425,485	17,853,406	1,527,878	1	ı	527,259	84,557,584
Rental income	ı	•	ı	•	ı	1	231,188	238,946
Total Revenue	54,223,556	10,425,485	17,853,406	1,527,878	•	'	758,447	84,788,772
Intergroup revenue	(2,748,231)	(96,964)	(49,128)		1	1	(536,489)	(3,430,812)
Revenue to third parties	51,475,325	10,328,521	17,804,278	1,527,878	ı	ı	221,958	81,357,960
Operating profit/(loss)	2,085,657	1,226,849	1,352,521	(47,613)	ı	ı	(1,020,105)	3,597,309
Profit/(loss) before tax	1,747,453	1,469,746	1,377,278	(57,115)	ı	ı	583,483	5,120,845
Profit/(Loss) after tax for the year from								
discontinued operations	1	I	I	I	3,146,244	(2,678,049)	1,467	469,662
Property, plant and equipment	12,416,349	1,369,319	6,019,281	318,741	ı	ı	888,144	21,011,834
Net assets	18,206,294	5,013,721	7,439,756	357,867	ı	ı	30,354,227	61,371,865
31 December 2019	Animal Feeds & Other Edibles N' 000	Paints N' 000	Packaged Food & Beverages N' 000	QSR N' 000	Logistics N° 000	Real Estate N' 000	Others N' 000	Total N' 000
Revenue from contract with customers	51,817,552	11,020,828	17,545,285	1,501,354	1	1	516,721	82,401,740
Rental income	ı	1	1	-	-	1	242,040	242,040
Total Revenue	51,817,552	11,020,828	17,545,285	1,501,354	-	-	758,761	82,643,780
Intergroup revenue	(2,897,476)	(16,264)	(7,434)	ı	ı	I	(520,466)	(3,441,640)
Revenue to third parties	48,920,076	11,004,564	17,537,851	1,501,354	1	ı	238,295	79,202,140
Operating profit/(loss)	1,771,404	2,239,649	1,193,667	(36,587)	1	ı	498,280	5,666,413
Profit / (Loss) before tax	989,744	2,672,930	1,561,487	(75,209)	1	I	2,307,308	7,456,259
Profit / (Loss) after tax for the year from								
discontinued operations	1	ı	ı	ı	342,782	(14,997,508)	52,997	(14,601,729)
Property, plant and equipment	12,911,315	1,722,156	3,273,295	313,936		1	698,885	18,919,587
Net assets	17,138,988	4,103,888	6,548,079	339,146	4,660,895	2,171,833	25,578,583	60,541,412

Included in the net assets of animal feeds and paint segments above, are the carrying amounts of goodwill for Livestock Feeds and Portland Paints & Products PLC amounting to #209.7 million and #339 million respectively - see Note 14

### **Entity wide information**

Analysis of revenue by category:	31 Dec 20 N'000	31 Dec 19 N'000
Revenue from contracts with customers	81,136,002	78,960,100
Rental income	221,958	242,040
	81,357,960	79,202,140
Analysis of revenue by geographical location:	31 Dec 20 N'000	31 Dec 19 N'000
Analysis of revenue by geographical location: Nigeria	31 Dec 20	
	31 Dec 20 N'000	N'000

### **Concentration risk**

The Group is not exposed to any concentration risk, as there is no single customer with a contribution to revenue of more than 10%.

### Disaggregated Revenue

Group

			Fo	For the period 31 December 2020	cember 2020			
Segments	Animal Feeds N'000	Paints N'000	Packaged Food & beverages N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
Revenue from contracts with customers								
Sale of goods	51,475,325	10,328,521	17,804,278	1,527,878	ı	ı	1	81,136,002
Rendering of service	1	ı	1	ı	1	ı	221,958	221,958
Total	51,475,325	10,328,521	17,804,278	1,527,878			221,958	81,357,960
<b>Geographical Markets</b> Nigeria Outside Nigeria	51,475,325	10,328,521	17,804,278	1,527,878	1 1		221,958	81,357,960
Total	51,475,325	10,328,521	17,804,278	1,527,878	•	•	221,958	81,357,960
Timing of revenue Goods transferred at a point in time	51,475,325	10,328,521	17,804,278	1,527,878	ı	1	- 010	81,136,002
	51,475,325	10,328,521	17,804,278	1,527,878			221,958	81,357,960

7i

6	Dividend income	The Gro	oup	The Con	npany
		31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
	Dividend income from subsidiaries	-	-	340,020	2,296,398
	Dividend income from third parties	9,675	6,441	9,675	-
	Total dividend income	9.675	6.441	349.695	2.296.398

Other operating income	The G	roup	The Co	mpany
	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
Profit on sales of Property, Plant and Equipment	2,205	79,129	3,080	7,566
Profit on sales of Investment Property	-	631,286	-	631,286
Rental income*	12,473	-	-	-
Net fair value gain on investment properties				
(Note 15)	234,270	-	234,270	-
Realisation on WSWN liquidation	-	419,808	-	295,863
Profit on disposal of subsidiary	-	-	574,442	-
Government grant (Note 28)	66,355	9,314	-	-
Commision fees from property sold	-	552	-	-
Write back of statute barred unclaimed				
dividend (Note 30)	10,677	206,342	10,677	206,342
Expected credit loss write back on				
receivables (Note 23)	522	181,754	153,374	-
Expected credit loss write back on cash and				
cash equivalents	43,080	-	43,080	-
Exchange gain	332,636	-	307,777	-
Other income**	526,015	827,776	77,595	535,033
Total other operating income	1,228,233	2,355,961	1,404,295	1,676,090

### \* Rental Income

Rental income represents income earned on investment properties at UAC Foods Ltd.

### \*\*Other income

Other income includes service charges and income from professional services, insurance claims, sale of scraps etc.

		The C	Group	The Co	mpany
7ii	Other operating losses	31 Dec 20 N'000	31 Dec 19 N'000	31 Dec 20 N'000	31 Dec 19 N'000
	Net fair value loss on investment properties	-	219,617	-	219,617
	Expected credit loss on related party				
	receivables (Note 23)	29,071	-	29,071	42,424
	Impairment loss on debt securites (Note 19)	7,759	15,818	7,759	15,818
	Fair value loss on investment in UPDC	-	-	2,800,269	3,184,709
	Impairment loss on cash and cash				
	equivalents	25,698	-	-	-
	Impairment (loss)/gain on financial assets				
	(Note 23)	78,269	56,788	-	-
	Loss on disposal of shares	-	-	710,900	-
	Other losses	-	5,000	-	2
	Total other operating losses	140,797	297,223	3,547,999	3,462,569

		The G	roup	The Com	pany
8 (a)	Expenses by Nature	31 Dec 20 N' 000	31 Dec 19*** N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
	Changes in inventories of finished goods and				
	work in progress	55,595,257	54,096,642	-	-
	Write off of inventories to net realisable value				
	(Note 22)	55,182	50,681	-	-
	Personnel expenses	8,550,075	7,568,545	1,165,090	858,000
	Depreciation charge on property, plant and				
	equipment	2,021,109	1,836,774	138,466	145,568
	Depreciation charge on right-of-use asset	471,191	515,051	-	-
	Amortisation of intangibles	53,110	89,193	2,879	12,465
	Impairment of property, plant and equipment	-	137,732	-	-
	Write off of property, plant and equipment	-	1,779	-	-
	Royalty fees	324,399	109,908	-	-
	Rents & rates	181,383	360,970	3,367	1,120
	Short-term lease expense	86,608	20,873	14,898	20,873
	Electricity & power	2,273,121	2,134,477	46,553	38,328
	Vehicles repairs, maintenance & fueling	331,625	277,539	7,039	5,134
	Other repairs & maintenance	900,479	1,117,379	44,712	44,324
	Auditors' remuneration	128,783	142,899	26,528	25,961
	Information technology charge	297,560	279,135	52,200	29,439
	Legal and professional expenses	762,210	154,223	397,502	5,990
	Donations & subscriptions	242,460	42,090	173,075	18,207
	Insurance	207,195	162,857	14,374	20,552
	Distribution expenses	2,562,161	2,385,557	-	-
	Loss on lease termination	68,440	-	-	-
	Marketing, Advertising & Communication	862,584	1,558,608	16,608	15,259
	Hire of equipment	30,601	53,501	-	-
	Catering expenses	178,830	205,598	7,602	21,675
	Security	207,255	119,248	8,164	12,537
	Incentives	163,522	-	-	-
	Travelling expenses	263,733	125,699	83,929	64,323
	AGM expenses	57,263	4,140	30,831	33,946
	Bank charges	304,063	14,520	105,714	36,744
	Stationery and printing	27,988	6,388	20,924	7,283
	Sundry office expenses****	1,649,576	2,028,901	101,453	518,302
		78,857,762	75,600,906	2,461,908	1,936,029

8 (b)	Expenses by Function  Analysed as:				
	Cost of sales	65,367,532	62,575,242	-	-
	Selling and distribution expenses	5,776,661	6,453,097	-	-
	Administrative expenses	7,713,569	6,572,567	2,461,908	1,936,029
		78,857,762	75,600,906	2,461,908	1,936,029
	Personnel expenses include:				
	Wages, salaries and other short term benefits				
	for staff and managers	7,892,447	6,548,912	882,042	582,542
	Directors' emoluments	632,231	699,001	240,514	203,140
	Defined contribution plans	25,397	320,632	42,534	72,318
		8,550,075	7,568,545	1,165,090	858,000

<sup>\*\*\*</sup>Certain operating expenses incurred in the year ended 31 December 2019 have been reclassified for better presentation

### 8 (c) Particulars of directors and staff

(i) The group had in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	The G	roup	The Co	mpany
Costs	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Key management personnel:				
Wages, salaries and other short term benefits	802,402	837,241	328,336	278,692
Directors' emoluments				
- Executive Directors	376,944	499,592	146,992	124,466
- Non-Executive Directors	255,287	199,409	93,522	78,674
	632,231	699,001	240,514	203,140
Post employment benefits:				
- Defined contribution plans	25,397	320,632	42,534	72,318
- Defined benefit plans		-	-	-
Total for key management personnel	1,460,030	1,856,874	611,384	554,150
Other management personnel	2,733,451	3,744,757	168,791	35,282
Staff	4,356,594	1,966,914	384,915	268,568
Total	8,550,075	7,568,545	1,165,090	858,000

<sup>\*\*\*\*</sup>Sundry office expenses include exchange loss, consumables, project expenses etc

Numbers         Number         Number           Key management personnel         27           Other management personnel         529         4           Staff         840         1,0           Total         1,396         1,4           N'000         N'         0		The C	Group
Other management personnel         529         4           Staff         840         1,0           Total         1,396         1,4           N'000         N'	Numbers		2019 Number
Staff         840         1,0           Total         1,396         1,4           N'000         N'	Key management personnel	27	26
Total 1,396 1,4	Other management personnel	529	445
N' 000 N'	Staff	840	1,015
	Total	1,396	1,486
		N' 000	N' 000
Average cost per staff 6,125 5,0	Average cost per staff	6,125	5,093

(II) The table below shows the number of employees (excluding directors), who earned over N100,000 as emoluments in the year and were within the bands stated.

	The C	iroup
N	2020 Number	2019 Number
300,001 – 500,000	4	34
500,001 – 700,000	28	20
700,001 – 900,000	78	17
900,001 – 1,100,000	160	80
1,100,001 – 1,300,000	137	76
1,300,001 – 1,500,000	156	90
1,500,001 and Above	833	1,169
	1,396	1,486

		The Company	
(iii)	Emoluments of directors	2020 N' 000	2019 N' 000
	Fees	5,750	5,600
	Other emoluments	234,764	197,540
		240,514	203,140
(iv)	The Chairman's emolument	19,630	19,534
(v)	Emolument of the highest paid Director	216,056	127,599

(vi) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

	The Co	mpany
N	2020 Number	2019 Number
100,001 – 15,000,000	6	6
15,000,001 and above	4	4

### 9. Net finance income

Coupon on bond

Finance income

	The Group		The Company	
	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
Interest income on short-term bank deposits	1,052,050	2,775,773	1,435,793	2,641,095
Interest income on finance lease assets	-	5,247	-	
Finance Income	1,052,050	2,781,020	1,435,793	2,641,095
Interest on bank loans - Note 25	(376,363)	(799,282)	-	-
Interest expense on lease liability - Note 21	(124,497)	(185,152)	-	-
Unwinding of discount (Note 31)	(970)	(6,740)	-	-
Finance Costs	(501,830)	(991,174)	-	_
Net finance income	550,220	1,789,846	1,435,793	2,641,095

Analysis of finance income				
	The G	iroup	The Co	mpany
	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
Interest of fixed deposit	775,434	2,032,810	365,337	1,007,317
Interest on group loan	-	-	793,840	885,566
Interest on treasury bills	62,095	714,291	62,095	714,291
Interest on call deposit	3,030	18,045	3,030	18,045
Interest on current account	10,976	1,159	10,976	1,161
Interest on commercial paper	97,933	-	97,933	-

102,582

1,052,050

102,582

1,435,793

14,715

2,641,095

14,715

2,781,020

		The G	roup	The Co	mpany
10	Taxation	2020 N'000	2019 N'000	2020 N'000	2019 N'000
	Current tax				
	Nigeria corporation tax charge for the year	1,199,801	1,779,910	-	408,115
	Education tax	148,019	124,507	647	29,379
	Capital gains tax	7	101,129		101,129
	Trust Levy	195	127	-	-
	Minimum Tax	5,716	6,957	1,896	-
	Total current tax charge	1,353,738	2,012,630	2,543	538,623
	Deferred tax				
	Temporary differences, origination and reversal	308,843	98,313	411,366	(49,023)
	Total deferred tax	308,843	98,313	411,366	(49,023)
	Income tax expense	1,662,581	2,110,943	413,909	489,599

Nigeria corporation tax is calculated at 30% (2019: 30%) of the taxable profit for the period and education tax is calculated at 2% (2019: 2%) of assessable profit.

The tax charge for the period can be reconciled to the profit per the consolidated income statement as follows:

	The Group		The Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Profit/(loss) before tax (A)	5,120,845	7,456,259	(2,061,677)	1,973,746
Tax at the Nigeria corporation tax rate of 30%				
(2019: 30%)	1,536,254	2,136,809	(618,503)	592,124
Education tax	148,019	124,507	647	29,379
Capital gains tax	7	101,129	-	101,129
Tax effect of disallowable expenses	1,305,255	1,280,264	1,108,628	1,118,098
Tax effect of Exempt income	(708,302)	(1,445,165)	(324,176)	(1,252,668)
Trust levy	195	127	-	-
Permanent differences	(472,131)	(132,234)	249,633	(98,462)
Effect of unrecognised tax credit	(174,501)	61,472	-	-
Investment allowance	(4,216)	(22,924)	(4,216)	-
Minimum tax adjustment	32,001	6,957	1,896	-
Tax charge for the year (B)	1,662,581	2,110,943	413,909	489,599
Effective tax rate B/A	32%	28%	(20%)	25%

	The G	iroup	The Con	npany
Reconciliation of the tax payable account	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Opening balance	4,510,936	6,327,649	2,984,185	2,655,269
Reclassified to Disposal group held for sale**	-	(1,999,843)	-	-
Income tax expense	1,353,738	2,012,630	2,543	538,623
Write back of over-provision	-	(89,801)	-	8,610.00
Withholding tax credit notes utilised	(360,132)	(188,845)	(270,110)	(188,845)
Payment during the year	(1,690,382)	(1,550,854)	(236,000)	(29,472)
	3,814,160	4,510,936	2,480,618	2,984,185

<sup>\*\*</sup> This adjustment derecognises the income tax payable portion for discontinued operations (UPDC: N1,531 million; MDS: N469 million) carried forward from the prior year.

### 11 Dividend

	<b>2020</b> <b>N'000</b> 288,130	mpany
Amounts recognised as distribution to ordinary shareholders in the year comprise:	2020 N'000	2019 N' 000
Dividend declared	288,130	1,844,029
Number of shares (000)	2,881,296	2,881,296
Dividends per share (kobo per share)	10	64

### 12 Earnings Per Share

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	The G	iroup	The Cor	npany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Profit attributable to ordinary equity shareholders:				
Profit/(loss) from continuing operations	2,056,929	3,798,343	(2,475,586)	1,484,147
Profit/(loss) from discontinued operations	594,502	(9,106,276)	-	-
Profit/(loss) for the period	2,651,431	(5,307,933)	(2,475,586)	1,484,147
Basic earnings per share				
Diluted earnings per share				
From continuing operations	71	132	(86)	52
From discontinued operations	21	(315)	-	-
From profit/(loss) for the period	92	(183)	(86)	52

	The Co	mpany
	2020 Number	2019 Number
Basic weighted average and Diluted weighted average number of shares (000)	2,881,296	2,881,296

### (b) Diluted

Diluted earnings per share is the same as basic earnings per share because there are no potential ordinary shares during the period.

Property, plant and equipment

The Group	:					:	
	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
Cost:	N.000	N.000	N,000	N.000	N,000	N,000	N,000
At 1 January 2019	12,213,243	19,314,220	1,358,839	3,371,956	1,223,020	307,932	37,789,210
Additions	284,552	1,222,439	96,861	608,661	106,803	391,159	2,710,474
Disposals	1	(746,164)	(33,532)	(191,690)	(13,501)	(6,038)	(990,925)
Write Off	ı	(683)	ı	ı	ı	ı	(683)
Reclassifications	30,133.34	42,607	2,946	13,458	20,282	(109, 426)	0
Other reclassifications**	1	ı	ı	1	ı	(1,096)	(1,096)
Assets of disposal group held for distribution/sale	(3,736,730)	(555,674)	(196,744)	(1,380,100)	(465,102)	5,594	(6,328,756)
At 31 December 2019	8,791,199	19,276,743	1,228,370	2,422,286	871,501	588,125	33,178,225
At 1 January 2020	8,791,199	19,276,743	1,228,370	2,422,286	871,501	588,125	33,178,225
Additions	57,820	991,108	135,383	971,890	61,668	2,277,996	4,495,865
Disposals	ı	(260,770)	(6,441)	(312,181)	(5,649)	(2,966)	(588,007)
Assets held for sale	(223,225)	(362, 267)	(10,329)	ı	(7,710)	1	(603,531)
Reclassification	6,861	276,379	I	14,255	1,712	(299,207)	ı
At 31 December 2020	8,632,655	19,921,193	1,346,983	3,096,251	921,522	2,563,948	36,482,552
Accumulated depreciation and impairment							
At 1 January 2019	2,631,567	9,342,245	1,070,400	2,046,602	991,183	12,000	16,093,996
Charge for the year	196,560	1,163,289	129,047	275,684	72,193	1	1,836,774
Impairment charge	137,287	444	ı	ı	ı	1	137,732
Disposals	ı	(741,603)	(27,448)	(132,951)	(10,794)	1	(912,797)
Assets of disposal group held for distribution/sale	(1,077,520)	(418,659)	(169,015)	(840,151)	(391,723)	1	(2,897,068)
Assets held for sales	I	ı	1	-	I	1	I
At 31 December 2019	1,887,895	9,345,714	1,002,984	1,349,184	660,859	12,000	14,258,637
At 1 January 2020	1,887,895	9,345,714	1,002,984	1,349,184	69,099	12,000	14,258,637
Charge for the year	279,271	1,206,886	107,089	377,987	49,876	ı	2,021,109
Disposals	ı	(211,725)	(4,829)	(248,896)	(5,543)	1	(470,993)
Assets held for sale	(24,197)	(301,119)	(5,741)	1	(6,978)	1	(338,035)
At 31 December 2020	2,142,969	10,039,757	1,099,503	1,478,275	698,214	12,000	15,470,718
Net book values:							
At 31 December 2020	6,489,686	9,881,437	247,480	1,617,976	223,308	2,551,948	21,011,834
At 31 December 2019	6,903,304	9,931,029	225,386	1,073,102	210,642	576,125	18,919,587
. Joseph C. C. C. Lo alt attacks and an experience (1,000) and (2,000) and (2,000)		1 -11	1   -   -				

<sup>\*\*</sup>Other reclassifications are assets that were transfered to/from PPE and to/from Intangible asset due to change in the use.

# Property, plant and equipment

The Company	Leasehold land	Plant and	Computer	Motor	Offlice	Capital Work in	i
Cost:	and buildings N'000	Machinery N'000	Equipment N'000	Venicles N'000	Furniture N'000	progress N'000	N'000
At 1 January 2019	580,444	269,881	427,357	223,280	66,927	1	1,567,889
Additions	10,452	10,523	14,156	133,345	969'9	1,712	176,883
Disposals	1	ı	(2,074)	(102,541)	ı	1	(104,615)
Adjustments*	26,477	(5,939)	(15,650)	I	(5,303)	1	(416)
At 31 December 2019	617,374	274,465	423,788	254,084	68,319	1,712	1,639,742
At 1 January 2020	617,374	274,465	423,788	254,084	68,319	1,712	1,639,742
Additions	1	141,639	7,499	89,500	4,460	117,406	360,504
Disposals	1	(39,032)	(1,850)	(48,300)	ı	1	(89, 182)
Reclassifications	1	1	Ì	I	1,712	(1,712)	1
At 31 December 2020	617,374	377,072	429,437	295,285	76,203	115,694	1,911,064
Accumulated depreciation and impairment							
At 1 January 2019	179,771	207,039	364,266	60,605	42,093	ı	853,774
Charge for the year	17,050	25,824	40,484	53,418	8,792	ı	145,568
Disposals	1	ı	(1,491)	(56,796)	ı	1	(58,287)
Adjustments	19,190	(4,804)	(10,435)	1	(4,366)	1	(416)
At 31 December 2019	216,011	228,059	392,824	57,227	46,519	-	940,640
At 1 January 2020	216,011	228,059	392,824	57,227	46,519	1	940,640
Charge for the year	16,504	27,984	18,208	65,585	10,185	ı	138,466
Disposals	-	(34,411)	(944)	(20,830)	ı	1	(56,185)
At 31 December 2020	232,515	221,632	410,088	101,982	56,704		1,022,920
Net book values:							
At 31 December 2020	384,859	155,440	19,349	193,303	19,499	115,694	888,144
At 31 December 2019	401,363	46,406	30,964	196,857	21,800	1,712	699,102

<sup>\*</sup>Adjustments have been recognised to align the values in the PPE SAP module and the PPE schedule.

No borrowing cost was capitalised during the year The non-current assets are not pledged as security by the Group.

## Intangible assets and goodwill

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Group	Goodwill	Brands & Trade Marks	Software	Capital Work in progress	Total	Software	Capital Work in progress	Total
Cost	N' 000	N' 000	N' 000	N, 000	N' 000	N, 000	N' 000	N' 000
At 1 January 2019	548,747	1,070,185	1,186,039	4,620	2,809,592	188,027	4,620	192,647
Additions - externally acquired								
during the year	I	ı	14,847	ı	14,847	945	I	945
Transfer	ı	ı	ı	ı	I	ı	ı	ı
Assets held for sales	ı	1	(364, 736)	ı	(364,736)	1	ı	ı
At 31 December 2019	548,747	1,070,185	836,150	4,620	2,459,703	188,972	4,620	193,592
At 1 January 2020	548,747	1,070,185	836,150	4,620	2,459,703	188,972	4,620	193,592
Additions - externally acquired								
during the year	ı	ı	8,729	ı	8,729	2,710	ı	2,710
Transfers	ı	ı	4,620	(4,620)	ı	4,620	(4,620)	1
Reclassification	ı	ı	ı	I	I	1	ı	ı
At 31 December 2020	548,747	1,070,185	849,499	ı	2,468,432	196,302	1	196,302
Accumulated amortisation								
At 1 January 2019	•	288,439	995,497	ı	1,283,936	170,925	•	170,925
Amortisation for the year	1	ı	89,192	I	89,192	12,465	ı	12,465
Assets held for sales	ı	ı	(331,029)	ı	(331,029)	ı	ı	ı
At 31 December 2019	ı	288,439	753,661	I	1,042,100	183,389	I	183,389
At 1 January 2020	1	288,439	753,661	ı	1,042,100	183,389	ı	183,389
Amortisation for the period	l	I	53,110	I	53,110	2,879	I	2,879
At 31 December 2020	1	288,439	806,771	1	1,095,210	186,268	1	186,268
Net book values								
At 31 December 2020	548,747	781,747	42,728	ı	1,373,223	10,034	1	10,034
At 31 December 2019	548,747	781,747	82,489	4,620	1,417,604	5,583	4,620	10,203

Impairment Test for Goodwill

Goodwill acquired through business combination is allocated to each of the Cash-Generating Unit (CGU) that are expected to benefit from the synergies of the combination. For the purpose of allocation, the individual entities were regarded as single cash generating unit. The following is a summary of goodwill allocation for each operating segment:

2020	Opening N' 000	Addition N' 000	Disposal N' 000	Impairment N' 000	Other Adjustments N' 000	Closing N' 000
Livestock Feeds	209,705	-	-	-	-	209,705
Portland Paints	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

2019	Opening N' 000	Addition N' 000	Disposal N' 000	Impairment N' 000	Other Adjustments N' 000	Closing N' 000
Livestock Feeds	209,705	-	-	-	-	209,705
Portland Paints	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

### **Animal Feeds CGU under Livestock Feeds**

The recoverable amount of Animal Feeds which is the only segment under Livestock Feeds CGU is \(\frac{\text{\text{\text{N}}}}{5.2}\) billion as at 31 December 2020, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors of Livestock Feeds PLC covering a five-year period. The weighted average after-tax discount rate applied to cash flow projections is weighted average cost of capital (WACC) 13.6%. The equity discount rate was estimated using the Capital Asset pricing model (CAPM) based on industry equity risk premium, unlevered beta and the Nigerian risk free rate. The revenue growth rate used in the cash flow projection is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceeds the carrying value of the CGU of \(\frac{\text{\text{\text{\text{V}}}}{2.2}\) billion. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2020.

### **Paints CGU under Portland Paints**

The recoverable amount of Paints which is the only segment under Portland Paints CGU is \$\frac{\text{N}}{2.7}\$ billion as at 31 December 2020, determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors of Portland Paints & Products PLC covering a four-year period. The weighted average after-tax discount rate applied to cash flow projections is 19.6% on account of the capital structure which consists 100% equity. The discount rate was estimated using the Capital Asset pricing model (CAPM) based on industry equity risk premium, unlevered beta and the Nigerian risk free rate. The revenue growth rate used in the cash flow projection is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceeds the carrying value of the CGU of \$\frac{\text{N}}{2}\$ billion. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2020.

### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for Livestock Feeds and Portland Paints and Products CGUs is most sensitive to the following assumptions:

- Gross margin growth rates
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

**Gross Margin growth rates** - Gross margins growth rates are based on expected effeciency gains resulting from working capital and procurement management; and improved manufacturing processes following plant upgrades at both entities. The forecast Free cash flow growth rates amounted to Compound Annual Growth Rates (CAGR) of 1% and 36% for Livestock Feeds and Portland Paints respectively.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates used to extrapolate cash flows beyond the forecast period - For cash flows from the last year of the projection, a terminal growth rate of 2.5%, in line with Nigeria's estimated GDP growth rate for 2020 has been assumed. The effect of new entrants is not expected to have an adverse impact on the forecast. The underlying assumption is that long term growth rates are mean-reverting and in the long-run, will revert to the average GDP growth rate.

The WACC takes into account cost of equity. The cost of equity is derived from the expected return on investment by the company's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

**Other Intangible Assets** - Software represents the Group's investment in license and technical agreement for its accounting and operations software. It is being amortised to the income statement over a period of five years, in accordance with the Group's policy.

The Group acquired trademark of \$\frac{\text{\$\}\$}}\$}\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\}\$}}}\text{\$\text{\$\tex{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$

### 15 Investment property

		The Group		•	The Company	
Fair value	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
At 1 January 2019	690,035	6,506,628	7,196,663	-	2,694,651	2,694,651
Additions during the year	-	1,590	1,590	-	1,590	1,590
Disposals	-	(380,000)	(380,000)	-	(380,000)	(380,000)
Net fair value loss on investment properties Assets of disposal group held for sale/distribution	-	(219,617)	(219,617)	-	(219,617)	(219,617)
(Note 36)	(272,300)	(3,926,000)	(4,198,300)	-	-	-
At 31 December 2019	417,735	1,982,601	2,400,336	-	2,096,624	2,096,624
At 1 January 2020 Additions during the	417,735	1,982,601	2,400,336	-	2,096,624	2,096,624
period	-	393	393	-	393	393
Net gain from fair value adjustments on investment property	-	234,270	234,270	-	234,270	234,270
At 31 December 2020	417,735	2,217,264	2,634,999	-	2,331,287	2,331,287

Fair value of investment properties is categorised as follows:

		The Group		٦	he Company	
31-Dec-20	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
Internal valuation	-	=	-	-	=	=
External valuation	417,735	2,217,264	2,634,999	-	2,331,287	2,331,287
	417,735	2,217,264	2,634,999	-	2,331,287	2,331,287

Fair value of investment properties is categorised as follows:

		The Group		7	he Company	
31-Dec-19	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
Internal valuation	-	-	-	-	-	-
External valuation	417,735	1,982,601	2,400,336	-	2,096,624	2,096,624
	417,735	1,982,601	2,400,336	-	2,096,624	2,096,624

### Significant unobservable valuation input (Fair value hierarchy - Level 3):

Price per square metre

N20,000 - N85,000

Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

The Group's investment properties were revalued at 31 December 2020 by an independent professionally qualified valuer who holds recognised relevant professional qualifications and has recent experience in the locations and categories of the investment properties valued. The latest valuation was performed by the external Surveyor- Messrs Steve Akhigbemidu & Co. (FRC/2013/NIESV/000000001442).

	The Group		The Company	
Rental income schedule	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
Rental income derived from investment properties	231,188	242,040	231,188	242,040
Direct operating expenses (including repairs and				
maintenance) on investment property generating rental				
income	(4,991)	(3,476)	(4,991)	(3,476)
Direct operating expenses (including repairs and				
maintenance) that did not generate rental income	-	_	-	
Profit arising from investment properties carried at				
fair value	226,197	238,564	226,197	238,564

The above rental income was included in the revenue

### **Group and Company as a lessor**

The Group has entered into operating leases on its investment property portfolio consisting of certain office and residential buildings. These leases have terms of between 6 months to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the year is N238,946,000 (2019: N242,040,000)



Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	The G	iroup	The Company		
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000	
0-1 year	51,912	159,646	51,912	159,646	
1-5 years	-	-	-	-	
Above 5 years	-	-	-	-	
Total	51,912	159,646	51,912	159,646	

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

#### 16. Investments in subsidiaries

Company	31 Dec 20 N' 000	31 Dec 19 N' 000
Opening balance	14,563,767	21,207,536
Additions - Acquisitions in Subsidiaries	52,184	69,360
Impairment of Investments in UACN Property Development Company PLC	-	(3,184,709)
Net assets held for sale - UACN Property Development Company PLC	-	(1,667,188)
Net assets held for sale - MDS Logistics	-	(1,861,233)
Closing Balance	14,615,951	14,563,767

Quoted shares:	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 % ownership	31 Dec 19 % ownership
Chemical and Allied Products PLC	494,684	494,684	51.49	51.49
361,034,361 ordinary shares of 50k each				
Livestock Feeds PLC	2,246,401	2,246,401	73.29	73.29
2,198,745,272 ordinary shares of 50k each				
Portland Paints and Products Nigeria PLC	1,949,667	1,938,283	85.98	85.50
682,152,275 (2019: 677,093,500) ordinary				
shares of 50k each				
Unquoted shares:				
Grand Cereals Limited	7,259,495	7,259,495	71.43	71.43
1,360,081,786 ordinary shares of N1 each				
UAC Foods Limited	2,414,414	2,414,414	51.00	51.00
102,000,000 ordinary shares of 50k each				
UAC Restaurants Limited	251,290	210,489	51.00	51.00
139,230,000 ordinary shares of 50k each				
	14,615,951	14,563,767		

Investments in subsidiaries are measured at cost

# 16 (i) Non-Ci

Non-Current Assets Held for Sale	The Company						
	2020 N' 000	2019 N' 000	% Shareholding 2020	2019			
UNICO CPFA Limited							
130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67			
UACN Property Development Company PLC							
1,667,187,500 ordinary shares of 50k each	-	1,667,188	-	64.16			
MDS Logistics Ltd	-	1,861,233	-	51.00			
51,000,000 ordinary shares of 50k each							
	130.000	3.658.420					

#### Equity instrument at fair value through other comprehensive income 17.

The details and carrying amount of Equity instrument at fair value through other comprehensive income are as follows:

	The C	Group	The Company		
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000	
At 1 January	28,771	47,729	28,771	30,000	
Fair value gain/(loss)	159,354	(1,229)	159,354	(1,229)	
Write-off	-	(17,729)	-	-	
At 31 December	188,125	28,771	188,125	28,771	

# The Group

This represents UAC's investments in CSCS and in the unquoted equities of the following companies: Industrial Investments Ltd, LACOM Communications Ltd, Trade Investment Ltd, Lagos Stock Exchange and Panasonic Nigeria Ltd.

#### 18 Investments in associates and equity accounted joint ventures

Set out below is the associate of the Group as at 31 December 2020. The associate as listed below have share capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associate:

		The Group		The Company	
	Country of incorporation	2020 N'000	2019 N'000	2020 N'000	2019 N'000
UPDC REIT	Nigeria	24.34%	-	24.34%	-
UPDC PLC	Nigeria	42.85%	-	42.85%	-
MDS Logistics	Nigeria	43%	-	43%	-

	The Gro	oup	The Company		
	2020 2019 N'000 N'000		2020 N'000	2019 N'000	
Associate					
UPDC REIT	3,571,660	-	3,571,660	-	
MDS Logistics	4,780,984	-	1,569,275	-	
UPDC PLC	4,665,924		3,745,233	-	
At 31 December	13,018,568	_	8,886,167	-	

#### 18.1 Investments in Associate

The Group's investment in Associate is on account of UPDC's investment in UPDC REIT, a close-ended real estate investment trust, UPDC PLC a real estate entity made up of business units involved in real estate development and hospitality and MDS Logistics a business unit involved in rendering logistics and supply chain services. UPDC and UPDC REITs are listed on the Nigerian Stock Exchange.

Following the decision of UPDC to transfer its shareholding in UPDC REIT to its shareholders, the investment in UPDC REIT has been classified as an investment in associate.

The movement in the investment in associate during the year is stated below:

	The C	iroup	The Company		
	2020 N'000	2019 N'000	2020 N'000	2019 N'000	
At 1 January	-	20,017,860	-	-	
Addition	11,973,792	-	8,886,167	-	
Share of profit	973,316	584,617	-	-	
Share of other comprehensive income	71,460	-	-	-	
Dividend received	-	(956,371)	-	-	
UPDC Fair Value Loss on UPDC REIT	-	(12,638,216)	-	-	
Assets of disposal group held for distribution/					
sale - UPDC	_	(7,007,890)	-		
At 31 December	13,018,568	-	8,886,167	-	

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

31-Dec-20	Non-current asset N'000	Current asset N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalent N'000	Net Asset N'000
UPDC REIT	26,634,571	5,392,755	-	1,108,781	1,305,432	30,918,545
UPDC PLC	2,688,812	19,603,860	4,345,562	8,305,323	2,947,335	9,641,788
MDS Logistics	68,181,801	3,553,299	3,871,206	1,551,435	424,594	4,949,459

31-Dec-20	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000	Tax expense N'000	Profit/(loss) N'000
UPDC REIT	1,566,896	-	332,041	-	-	1,940,347
UPDC PLC	1,662,487	8,414	35,172	(1,512,946)	(115,023)	(605,917)
MDS Logistics	7,969,861	957,166	4,428	(491,841)	(99,309)	288,567

31-Dec-19	Non-current asset N'000	Current asset N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalent N'000	Net Asset N'000
UPDC REIT	27,053,978	4,180,190	-	681,690	3,174,924	30,552,478

31-Dec-19	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000	Tax expense N'000	Profit/(loss) N'000
UPDC REIT	1,686,205	-	692,266	=	-	(449,293)

19.	Debt instrument at amortised cost	The Gr	oup	The Company	
		2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
	At 1 January	2,015,218	-	2,015,218	-
	Additions during the year	-	2,000,503	-	2,000,503
	Coupon accrued	102,582	14,715	102,582	14,715
	Coupon received	(152,794)	-	(152,794)	-
	Exchange gain on revaluation	240,368	-	240,368	
	Gross investment in debt	2,205,374	2,015,218	2,205,374	2,015,218
	ECL -Impairment (Note 3.1 (b))	(31,070)	(23,311)	(31,070)	(23,311)
	At 31 December	2,174,304	1,991,907	2,174,304	1,991,907

The Group invested in Eurobond assets with the business model of solely holding for principal and interest payment and designated as debt instrument at amortised cost.

The Group invests only on quoted debt securities with low credit risk. The Group's debt instruments at amortised cost comprised solely of quoted eurobonds that are rated by reputable Credit Rating Agency. The Group recognised provision for expected credit losses on its debt instruments at amortised cost of N31,070,040 (2019: N23,311,353).

3,926		1,453,926
3,926		1,453,926
5,167		305,167
6,281		446,281
5 27/		2,205,374
	5.074	<u> </u>

Movement in Expected Credit Loss (ECL)	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
At 1 January 2019	-	-	-	-
New asset purchased	23,311			23,311
At 31 December 2019	23,311	-	-	23,311
At 1 January 2020	23,311	-	-	23,311
Additions in the year	7,759	-	-	7,759
At 31 December 2020	31,070	-	-	31,070

#### 20. Right of return assets and refund liabilities

	The Group		The Company	
	31 Dec 20 N' 000	31 Dec 19 N' 000	31 Dec 20 N' 000	31 Dec 19 N' 000
Right of return assets	14,330	7,384	-	-
Refund liabilities				
- Arising from retrospective volume rebates	-	-	-	-
- Arising from rights of return	17,195	8,093	-	
	17,195	8,093	-	-

#### Right of return of assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

#### 21. Right of use assets

The Group has lease contracts for various items of land and building and machinery and other equipment used in its operations. Leases of land and building generally have lease terms between 1 and 45 years, while machinery and other equipment generally have lease terms between 3 months and 5 years.

Right of use assets	Land and Building N' 000	Plant and Machinery N' 000	Total N' 000
At 1 January 2019	1,309,101	322,357	1,631,458
Depreciation expenses	(367,302)	(147,749)	(515,051)
At 31 December 2019	941,799	174,608	1,116,407
At 1 January 2020	941,799	174,608	1,116,407
Additions	246,469	-	246,469
Depreciation expenses	(337,470)	(133,721)	(471,191)
Lease termination	(402,696)	-	(402,696)
At 31 December 2020	448,102	40,887	488,989

The Group's share of loss in UPDC Metro City Ltd for the year exceeded the investment in the Joint Venture of N244.2 million. In line with IAS 28, the investment is deemed to be impaired and is written down to nil value.

Set out below are the carrying amounts of lease liabilities and the movements during the period;

Lease Liability	The Group		
	2020 N' 000	2019 N' 000	
At 1 January	982,117	1,152,882	
Accretion interest	124,497	185,152	
Additions during the year	164,568	-	
Payment of principal	(387,350)	(355,917)	
Interest payament	(74,259)	-	
Lease terminated	(334,256)	-	
At 31 December	475,317	982,117	
Current	250,926	526,623	
Non-current	224,391	455,494	
	475,317	982,117	

The maturity analysis of lease liabilities are disclosed in Note 3.3

#### 22. Inventories

	The Group		The Co	mpany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Raw materials and consumables	16,496,939	12,440,215	3,602	3,602
Technical stocks and spares	1,425,162	1,655,627	-	-
Finished goods and goods for resale	2,256,152	2,245,052	-	
	20,178,253	16,340,893	3,602	3,602
Write down to net realisable value (Note 8)	(55,182)	(50,681)	-	
	20,123,071	16,290,212	3,602	3,602

#### 23. Trade and other receivables

	The G	roup	The Co	mpany
Receivables due within one year	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Trade receivables	3,892,028	3,126,356	-	-
Less: allowance for impairment of trade				
receivables	(1,191,031)	(1,230,771)	-	
Net trade receivables	2,700,997	1,895,584	-	-
Receivables from group companies - Note 34 b	-	-	550,632	336,488
Receivables from associates - Note 34b	42,366		42,366	
Loan receivable from associate	1,143,354	-	1,163,945	16,494,144
Allowance for expected credit losses on				
associates and related party receivables	(29,071)	-	(29,557)	(153,860)
Other receivables	263,221	1,149,965	119,110	318,308
Advance payments	315,364	-	-	-
WHT receivable	1,133,430	1,070,382	701,050	633,965
Prepayments - staff grants	96,986	168,084	35,500	31,758
Prepayments- Other	833,643	731,303	16,849	16,636
	6,500,290	5,015,319	2,599,896	17,677,438

Trade receivables are non-interest bearing and are generally due for settlement within 30 days and therefore are all classified as current. They are amounts due from customers for goods sold or services performed in the ordinary course of business.

Other receivables relate to transactions such as advances to staff and VAT receivables. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Advance payments are mobilisation fees made to contractors for the supply of goods and services.

	The Group		The Company	
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Prepayments - Current	930,629	899,386	52,349	48,394
Prepayments - Non-current	48,126	132,960	48,126	131,191
Total prepayments	978,755	1,032,346	100,475	179,585

The balance on prepayment represent rent and insurance paid in advance which will be charged against earnings in the periods they relate to.

Movements in the allowance for impairment of trade receivables are as follows:

	The G	The Group		npany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
At 1 January	1,230,771	1,693,208	-	-
Reversal of allowance for receivables				
impairment	(522)	(181,754)	-	-
Expected credit loss allowance	78,269	-		
Amount written off	(117,487)	-	-	-
Assets held for sale	-	(280,683)	-	-
At 31 December	1,191,031	1,230,771	-	-

Movements in the allowance for impairment of related party receivables are as follows:

	The G	The Group		The Company	
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000	
At 1 January	-	-	153,860	111,436	
Impairment charge no longer required	-	-	(153,374)	-	
Impairment charge for the year	29,071	-	29,071	42,424	
At 31 December	29,071	-	29,557	153,860	

Finance lease receivable	The Gr	oup
	2020 N' 000	2019 N' 000
Gross investment in lease	91,601	-
Unearned finance income	(81,229)	-
	10,372	-
	2020 N' 000	2019 N' 000
Current asset	1606	-
Non-current asset	8766	-
Total finance lease receivable	10372	-

## 24 Cash and cash equivalents

	The G	roup	The Cor	npany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Cash at bank and in hand	1,436,443	5,867,483	94,042	35,297
Short-term deposits	22,622,311	16,191,616	14,714,277	8,138,501
Expected credit losses on short term deposit	(30,252)	(47,635)	(4,554)	(47,634)
Cash at banks and short term deposits				
attributable to discontinued operations	243,812	1,879,671	-	-
Cash and short-term deposits	24,272,314	23,891,135	14,803,765	8,126,164

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



In 2015, Securities and Exchange Commission directed all Registrars to return all unclaimed dividends, which have been in their custody for fifteen months and above, to the paying companies. Included in the cash and short-term deposits is N3.34 bn which represents unclaimed dividends received from Africa Prudential Registrars as at 31 December 2020 (2019: N2.0 bn).

The Finance Act 2020, which became effective on 1 January 2021, requires public limited liability companies quoted on the Nigerian Stock Exchange to transfer any unclaimed dividend that has remained unclaimed for a period not less than 6 years to the Unclaimed Funds Trust Fund (the "Trust Fund"). However, the modality for complying with this requirement is yet to be communicated by the Debt Management Office.

#### (i) Reconciliation to statement of cash flow

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	The G	roup	The Com	pany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Cash and short-term deposits	24,302,566	23,938,769	14,808,319	8,173,798
Balances per statement of cash flow	24,302,566	23,938,769	14,808,319	8,173,798

## 25 Borrowings

	The	Group
	2020 N' 000	2019 N' 000
Current borrowings		
Loans due within one year	2,503,673	4,595,937
	2,503,673	4,595,937
Non-current borrowings		
Loans due after one year (i)	1,735,284	1,850,583
Total borrowings	4,238,957	6,446,520
As at 1 January	6,446,520	24,172,361
Repayment of borrowing during the year	(7,926,033)	(3,605,897)
Initial fair value of grant	(283,631)	(59,421)
Interest on loans	376,363	799,282
Interest paid	(315,532)	(787,588)
Additions	5,941,270	4,485,995
Liabilities of disposal group held for sale/distribution	-	(18,558,212)
As at 31 December	4,238,957	6,446,520

The above borrowings are denominated in Naira.

The borrowings are repayable as follows:

	The C	aroup
	2020 N' 000	2019 N' 000
Within one year	2,503,673	4,595,937
Between one to two years	1,735,284	1,850,583
	4,238,957	6,446,520

# (i) Loans due within one year

			The Gr	oup	
Bank	Effective Interest Rate	2020 N' 000	2019 N' 000	Maturity date	Security
Sterling Bank PLC - Agric Loan	5% (8.5%)	-	175,937	Dec-20	No security
CBN CACS Loan	5% (8%)	-	1,000,000	Nov-20	No security
BOI - Agric Loan	10.9%	-	1,420,000	Dec-20	No security
First Bank of Nigeria Ltd	5.0%	435,203	-	Dec-20	No security
First Bank of Nigeria Ltd -					
Commercial loan	10.0%	1,993,367	-	Dec-20	No security
FSDH	0.0%	75,103	-	Dec-20	No security
Zenith bank (CBN Maize					
Aggregation)	5% (10.9%)	-	2,000,000	Dec-20	No security
		2,503,673	4,595,937		

The above borrowings are denominated in Naira

The Company has no loans as at 31 December 2020

# (ii) Loans due after one year

		The G	iroup	
Details of the loan maturities due after one year are as follows:	Effective Interest Rate	2020 N' 000	2019 N' 000	Maturity date
Facility				
Grand Cereals Ltd: Sterling Bank PLC & BOI -				
Agric loan	5% (8.5%)	1,735,284	1,850,583	July, 2020
		1,735,284	1,850,583	
		1,735,284	1,850,583	

The average interest rate for facilities from local banks during the period was 13.4% (2019 was 13.4%).

# The Company

The company had no loan as at 31 December 2020.

# 26 Deferred Tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	The G	iroup	The Co	mpany
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Deferred tax assets:				
<ul> <li>Deferred tax asset to be recovered after</li> </ul>				
more than 12 months	38,653	11,619	-	-
<ul> <li>Deferred tax asset to be recovered within 12</li> </ul>				
months	-		-	
Deferred tax assets	38,653	11,619	-	-
Deferred tax liabilities:				
<ul> <li>Deferred tax liability to be recovered after</li> </ul>				
more than 12 months	(4,486,338)	(4,150,461)	(435,991)	(24,625)
<ul> <li>Deferred tax liability to be recovered within</li> </ul>				
12 months	-	-	-	
Deferred tax liabilities	(4,486,338)	(4,150,461)	(435,991)	(24,625)
Net Deferred tax liabilities	(4,447,685)	(4,138,842)	(435,991)	(24,625)

The gross movement on the deferred income tax account is as follows:

	Gro	up	Comp	any
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
At 1 January	(4,138,842)	(4,621,286)	(24,625)	(73,648)
Adjustment of opening balance*	-	580,758	-	-
(Credited)/charged to profit or loss	(308,843)	(98,314)	(411,366)	49,023
At 31 December	(4,447,685)	(4,138,842)	(435,991)	(24,625)

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

# The Group

Deferred tax assets	Property, plant and equipment N'000	Allowance for impairment on receivables N'000	Tax losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 1 January 2019	(5,571)	(52,171)	147,885	ı	I	ı	1	90,144
(Credited)/charged to profit or								
loss	(92,081)	161,442	(147,885)	1	ı	ı	ı	(78,525)
At 31 December 2019	(97,652)	109,271				,		11,619
At 1 January 2020	(97,652)	109,271	1	1	1	1	1	11,619
Charged to profit or loss	11,512	15,522	1	ı	ı	ı	I	27,034
At 31 December 2020	(86,140)	124,793	-		-	•	-	38,653

The Group has tax losses of N156,869,000 (2019: N134,917,000) that are available indefinitely for offsetting against future taxable profits of the Company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

# The Group

dnoip								
	Property, plant	Allowance for impairment on			Exchange	Investment	Capital Gains to be	ř
Deferred tax liabilities	and equipment N'000	receivables N'000	lax losses N'000	Leases N'000	amerence N'000	properties N'000	reinvested N'000	N'000
At 1 January 2019	4,628,055	(533,488)	(1,049,021)	ı	(14,900)	1,979,081	(298,297)	4,711,430
Adjustment of opening balance*	(903,609)	267,620	1,049,021	I	(1,170)	(1,170,432)	(116,291)	(580, 758)
Charged/(credited) to profit or								
loss	13,955	24,190	ı	ı	3,605	(21,962)	I	19,788
At 31 December 2019	4,032,504	(241,678)	-	-	(12,464)	786,687	(414,588)	4,150,461
At 1 January 2020	4,032,504	(241,678)	1	I	(12,464)	786,687	(414,588)	4,150,461
(Credited)/Charged to profit or								
loss	(10,023)	78,088	(54,134)	8,119	85,181	228,646	ı	335,877
At 31 December 2020	4,022,481	(163,590)	(54,134)	8,119	72,717	1,015,333	(414,588)	4,486,338

<sup>\*</sup> This adjustment derecognises the deferred tax liability portion for discontinued operations (UPDC: N72.1 million; MDS: N508.2 million) carried forward from the prior year.

The Company

Deferred tax (assets)/liabilities	Property, plant and equipment N'000	Allowance for impairment on receivables N°000	Unutilised tax credits N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 1 January 2019	(74,361)	(128,764)	1	1	1,576	275,197	1	73,649
Credited)/Charged to profit or loss	(9,259)	(21,407)	1		3,605	(21,962)	1	(49,023)
4t 31 December 2019	(83,620)	(150,171)			5,181	253,235		24,625
At 1 January 2020	(83,620)	(150,171)	ı	•	5,181	253,235	•	24,625
Charged to profit or loss	246,381	99,302	(52,140)	I	85,181	32,643	I	411,366
At 31 December 2020	162,761	(50,920)	(52,140)		90,362	285,878		435,991

#### 27 Trade and other payables

	The G	roup	The Co	mpany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Trade payables	4,081,749	5,003,051	-	-
Provision for employee leave	485	77	-	-
Defined contribution benefit owing to UNICO				
fund	56,612	68,698	-	-
Other payables	2,145,394	2,360,686	189,729	38,351
WHT payable	122,687	83,259	18,931	6,616
VAT payable	371,888	307,951	9,641	1,986
PAYE payable	55,801	485	52,396	23,874
Accruals	2,995,325	1,936,138	948,721	1,049,472
Total	9,829,941	9,760,344	1,219,418	1,120,300

Terms and conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled between 30 and 60-day terms. Other payables are non-interest bearing and have an average term of 6 months.

Other payables houses balances for trade creditors and payables to vendors.

Accruals relates to accrued professional fees, accrued consultants fees, accrued audit fees and other accrued expenses.

#### 28 Government Grant

	The G	The Group		mpany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
At 1 January	50,107	-	-	-
Amount received during the year	283,631	59,421	-	-
Released to the statement of profit or loss	(66,355)	(9,314)	-	-
At 31 December	267,383	50,107	-	-
		_		
Current	58,343	50,107	-	-
Non-current	209,040		-	-
	267,383	50,107	-	-

Government grant relates to government facilities received by Livestock Feeds PLC and Grand Cereals Limited, at below-market rates of interest. The facilities are meant to assist in the procurement of certain items of plant and machinery. The grants are recognised as deferred income and amortised to profit or loss on a systematic basis over the useful life of the assets in line with their respective accounting policies.

# 29 Contract liabilities

	The Group		The Co	mpany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
At 1 January	869,259	268,686	152,775	134,276
Deferred during the period	663,890	661,111	199,024	240,050
Released to the statement of profit or loss	(192,522)	(60,539)	(192,522)	(221,551)
At 31 December	1,340,627	869,259	159,277	152,775

This relates to consideration paid by customers before the transfers of goods or services. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

# 30 Dividend payable

	The Group		The Co	mpany
	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
As at 1 January	5,517,803	5,375,416	4,843,925	4,899,962
Dividend declared	429,260	3,331,135	288,130	1,844,029
Dividend paid during the year to NCI	(130,404)	(1,589,303)	-	-
Dividend paid during the year to equity				
holders of the parent company	(288,130)	(2,073,296)	(288,130)	(2,073,296)
Statute barred unclaimed dividend written back	(10,677)	(206,342)	(10,677)	(206,342)
Unclaimed dividend refunded	566,456	1,020,114	293,831	379,571
Disposal group held for sale	-	(339,920)	-	-
At 31 December	6,084,307	5,517,803	5,127,079	4,843,925

# 31. Provisions

The Group			Decommision-	
·	Provisions N'000	Legal claim N'000	ing liability N' 000	Total N' 000
At 1 January 2019	3,000	90,085	10,874	103,959
Unwinding of discount	3,000		3740	6,740
Provision write back			(11,161)	(11,161)
Additional provision			3,934	3,934
Exchange difference arising on litigation	-	(137)		(137)
31 December 2019	6,000	89,948	7,387	103,335
Current	-	89,948	6,000	95,948
Non-current	6,000		1,387	7,387
At 1 January 2020	6,000	89,948	7,387	103,335
Unwinding of discount	-	-	970	970
Charge to profit or loss	-	99,070	-	99,070
Derecognised on payment	-	(2,500)	(2,000)	(4,500)
Provision write back	-	(500)	-	(500)
31 December 2020	6,000	186,018	6,357	198,375
Current	6,000	186,018	-	192,018
Non-current	-		6,357	6,357

#### **Decommisioning liability**

UAC Restaurants Limited has a number of leasehold properties converted to Restaurants, which are required by agreements to be restored back to their original condition upon the expiry of the leases. Decommissioning Liability relates to the provisions made for decommissioning costs relating to these properties. Management has applied its best judgement in determining the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rate and currency exchange rates amongst others, were considered in this estimate. 18% discount rate for the unwinding of the discount on the liability was determined using the "Capital Asset Pricing Model". The obligation is expected to crystalise in 2030.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rates did not reflect risks for which future cash flow estimates have been adjusted.

#### **Provision**

The recognised provision reflects best estimate of the most likely outcome of Pencom audit against a Group's entity based on the estimated report submitted by the consultant appointed by Pencom.

	Legal	claim
The Company	2020 N'000	2019 N'000
At 1 January	89,948	90,085
Exchange difference arising on litigation	-	(137)
At 31 December	89,948	89,948

#### **Contingent liabilities**

The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed.

#### 32 Share Capital

Group and Company	2020		2019		
	Number 000	Amount N' 000	Number 000	Amount N' 000	
Authorised:					
Ordinary Shares of 50k each	3,000,000	1,500,000	3,000,000	1,500,000	
Preference Shares of 50k each	400,000	200,000	400,000	200,000	
Total authorised share capital	3,400,000	1,700,000	3,400,000	1,700,000	
Issued and fully paid:		_			
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648	
Total called up share capital	2,881,296	1,440,648	2,881,296	1,440,648	

Nature and purpose of Other Reserves and related transactions

#### Share Premium

Section 145.2 of Companies and Allied Matters Act 2020 requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium. The Share premium is to be capitalised and issued as scrips as approved by shareholders from time to time.

#### Contingency Reserve

The contingency reserve covers an appropriation of surplus or retained earnings that may or may not be funded, indicating a reservation against a specific or general contingency. The contingency reserve represents the transfer to statutory reserve of 12.5% of the profit after tax of UNICO CPFA Limited in line with section 69 of the Pension Reform Act 2004 (2014 as amended).

#### Fair value reserve

The fair value reserve relates to the cumulative net change in the fair value of financial instruments at fair value through other comprehensive income until the assets are derecognised.

#### Rights issue

\*UPDC carried out a Rights Issues in Q1 2020. UACN of Nigeria PLC paid for its Rights by utilising N15.7 billion of the N16 billion Bridge facility. The Rights Issue was approved on 20 April, 2020. Related cost incurred on the issuance of the rights amounted to N380m for the Group.

#### 33. Reconciliation of profit/(loss) before tax to cash generated from/(used in) operations

	Group		Comp	oany	
	Note	2020 N' 000	2019 N' 000	2020 N' 000	2019 N' 000
Profit/(loss) before tax from continuing					
operations		5,120,845	7,456,259	(2,061,677)	1,973,746
Loss before tax from discontinued					
operations		543,760	(14,696,369)	-	-
Adjustment for net finance income		(550,220)	(1,789,846)	(1,435,793)	(2,616,821)
Operating profit/(loss)		5,114,385	(9,029,956)	(3,497,470)	(643,075)
Adjustments to reconcile operating profit/(loss) to net cash flows					
Amortisation of intangible assets	8	53,110	89,192	2,879	12,465
Dividend income	6	(9,675)	(6,441)	(349,695)	(2,296,398)
Depreciation charge on property, plant					
and equipment	8	2,021,109	1,836,774	138,466	145,568
Depreciation charge on right of use					
asset	8	471,191	515,051	-	-
Write off of inventories to net realisable					
value	8	55,182	50,681		
Realisation on Warm Spring Waters					
Nigeria Limited liquidation	7i	-	-	-	(295,863)
Impairment of loan of Warm Spring					
Waters Nigeria Limited		-	(652,023)	-	-
Expected credit loss on debt securities	7ii	7,759	23,311	7,759	23,311
Expected credit loss on related party					
receivables	7ii	-	-	29,071	42,424
Expected credit loss writeback on					
trade receivables	7i	(522)	(181,754)	(153,374)	-
Write back of expected credit loss on					
short term deposits		(17,383)	(7,591)	(43,080)	(7,494)

Expected credit loss on trade					
receivables	7ii	78,269	-	-	-
Effects of exchange rate changes	19	(240,368)	-	(240,368)	-
Net fair value (gains)/losses on					
investment properties	15	(234,270)	219,617	(234,270)	219,617
Write back of statute barred unclaimed					
dividend	7i	(10,677)	(206,342)	(10,677)	(206,342)
Unwinding of government grant		(66,355)	(9,314)	-	-
Share of profit in associate	18.1	(973,316)	-	-	-
Loss on lease terminated	21	68,440	-	-	-
Impairment charges on PPE	8	-	137,732	-	-
Loss arising from fair value					
adjustments of investment in UPDC	7ii	-	-	2,800,269	3,184,709
Write off of PPE		-	1,779	-	-
Loss/(profit) on sale of disposal of					
subsidiary	7ii	(2,379,992)	(419,808)	136,458	-
Profit on sale of tangible PPE	7i	(2,205)	(79,129)	(3,080)	(7,566)
Net movement in provision		94,070	(7,364)	-	(137)
Profit on sale of Investment Properties	7i	-	(631,286)	-	(631,286)
Operating cash flows before					
movements in working capital		4,028,752	(8,356,871)	(1,417,112)	(460,065)
Movements in working capital:				(4)	
Changes in inventories		(3,888,041)	5,843,934	-	(479)
Changes in trade and other					
receivables and prepayments		(1,838,017)	(2,177,494)	(736,740)	(12,576,028)
Changes in contract liabilities		471,368	600,573	6,502	18,499
Changes in trade and other payables		69,597	2,662,966	99,118	72,798
Changes in finance lease receivable		(10,372)	-	-	-
Changes in right of return asset		(6,946)	532	-	-
Changes in refund liability		9,102	(1,074)	-	-
Net cash (used in)/generated from					
operations - continuing operations		(1,164,557)	(1,427,433)	(2,048,236)	(12,945,274)
Changes in assets and liabilities		4,196,720	(83,904)	-	-
Net cash from operations -					
discontinued operations		4,196,720	(83,904)	-	
Net cash generated from/(used in)		2 020 460	(1 514 007)	(0.040.000)	(10.045.074)
operations		3,032,163	(1,511,337)	(2,048,236)	(12,945,274)

# 34. Related party transactions

#### **The Company**

The company's related parties consist of companies in whom the company has shareholding and similar interests (it's subsidiaries, associates & joint venture partners), the key management personnel of the company and their close family members and all other entities that are directly or indirectly controlled by the company.

The following transactions were carried out with the subsidiaries:

#### (a) Sales of goods and services

The Company has commercial service agreements with its subsidiaries for support services. Income from commercial services fees (representing 0.75-1% of revenue of the subsidiaries) N527 million (2019: N516 million).

This has been included in the revenue of the Company.

	Com	Company		
	2020 N' 000	2019 N' 000		
UACN Property Development Co. PLC	15,569	18,648		
Grand Cereals Limited	303,431	292,353		
Chemical & Allied Products PLC	78,498	84,106		
Portland Paints & Products Nigeria PLC	25,815	25,894		
Livestock Feeds PLC	103,959	95,719		
	527,272	516,721		

# (b) Period-end net balances arising from sales/purchases of goods/services with subsidiaries and associates.

	Comp	any
Receivable/(Payable):	2020 N' 000	2019 N' 000
Subsidiaries		
UACN Property Development Co. PLC	-	(16,143)
Chemical & Allied Products PLC	94,237	55,248
Grand Cereals Limited	300,938	141,529
UAC Restaurants Limited	(584)	(25,307)
Portland Paints & Products Nigeria PLC	104,506	99,986
Livestock Feeds PLC	31,852	40,223
UAC Foods Ltd	19,684	12,096
MDS Logistics Ltd	-	28,855
	550,632	336,488
Associates		
UACN Property Development Co. PLC	1,182	-
MDS Logistics Ltd	41,184	
	42,366	-
	592,999	336,488

## (c) Intercompany loan

	Company		
	2020 N' 000	2019 N' 000	
UACN Property Development Co. PLC	1,143,354	16,481,499	
Grand Cereals Ltd	20,591	-	
MDS Logistics Ltd	-	12,645	
	1,163,945	16,494,144	

All trading balances will be settled in cash.

The expected credit loss relating to related party receivables as at 31 December 2020 was N29,557,000 (2019: N153,860,000) and the net credit to the profit or loss in respect of doubtful related party receivables was N124,303.

#### (e) Key Management Personnel

Total transactions with key management personnel amounted to Nil during the year (2019:Nil).

Intra-group and other related party transactions are carried out at normal commercial terms and conditions.

#### 35. Capital commitments

	Group		Compar	Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000	
Capital expenditure authorised	1,871,050	1,871,050	-	-	
Capital expenditure authorised & contracted	1,099,958	1,099,958	-	-	

#### 36. Assets held for sale

Part of a manufacturing facility within the Paints segment is presented as asset held for sale following the commitment of the board on November 2019 to selling the asset. Despite the inability to complete the sale within 12 months, management is still committed to the disposal of the asset. Hence, the continual clasification of the asset as held for sale.

The disposal group are measured in accordance with the applicable accounting policy (IFRS 5) and are no longer depreciated.

	31 Dec 20 N'000
Opening balance	-
Transfer from PPE	265,496
Closing balance	265,496

#### 36. Disposal group held for sale and discontinued operations

#### Disposal group held for distribution to owners

#### **UPDC PLC**

UACN entered into a binding agreement to sell 51% of its shareholding in UPDC to Custodian Investment PLC. The first and second tranche of the transaction resulting in a disposal of 51% have been carried out. Consequent to the sale, UACN owns 42.85% of UPDC. Hence, UPDC has been reclassified as an Investment in associate.

#### Tranche 1

	N'000
Cash consideration	662,591
Transaction charges	(3,524)
Carrying amount of net asset disposed	(744,864)
Loss on disposal	(85,797)

#### Tranche 2

	N'000
Cash consideration	5,931,601
Share of net asset of subsidiary*	(14,014,745)
Investment in associate	7,316,892
Transaction charges	31,717
Loss on disposal of discontinued operations	(734,535)

#### Cash proceed from sale as shown in cash flow statement

	N'000
Cash proceed from disposal	6,590,668
Less cash and cash equivalent balance	(2,472,762)
Net cash proceed from disposal	4,117,906

<sup>\*</sup> Total net asset of subsidiary less NCI prior to disposal was N15.79bn, the share attributable to NCI amounted to N1.71bn.

#### **UNICO CPFA Limited (UNICO)**

Members of UNICO CPFA at Extra-Ordinary General Meeting approved voluntary winding up of company on February 6, 2019. The Company is thus in liquidation. Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2018.

#### **Exception to one year requirement:**

IFRS 5 requires that except for certain exceptions, the sale of a non-current asset or disposal group is expected to qualify for recognition as a completed sale within one year from the date of classification. However, during the year, there were certain factors considered to be beyond the control of management which have invariably extended the sale period beyond one year. As part of the voluntary winding up process, the assets of UNICO will be sold and liabilities settled. The winding up process is to be concluded in FY 2021.

## MDS Logistics (MDS)

On July 2019, UACN entered into an agreement to sell 8% of its shareholding in MDS to Imperial Capital Limited (ICL). Consequent to the sale, UACN owns 43% of MDS thereby ceding control. The transaction has been concluded in the 2020 financial year, hence profit from the disposal of MDS has been reported under IFRS 5 as non current asset held for disposal/distribution and discontinued operations.

	N'000
Cash consideration	866,400
*Share of net asset of subsidiary	(2,377,056)
Investment in associate	4,656,900
Profit on disposal of discontinued operations	3,146,244
Cash proceed from sale as shown in cash flow statement	N'000
Cash proceed from disposal	866,400
Less cash and cash equivalent balance	(427,451)
Net cash proceed from disposal	

Analysis of the results of the disposal group held for sale and distribution to owners is as follows:

	UNICO 31-Dec-20 N'000	TOTAL 31-Dec-20 N'000	UPDC 31-Dec-19 N'000	UNICO 31-Dec-19 N'000	MDS 31-Dec-19 N'000	TOTAL 31-Dec-19 N'000
Assets						
Non-current assets:						
Property, plant and equipment	2,920	2,920	22,852	2,920	4,496,715	4,522,487
Intangible assets	-	-	13,517	-	59,366	72,883
Investment properties	-	-	2,381,502	-	-	2,381,502
Investments in joint ventures	-	-	129,589	-	-	129,589
Right of use asset	-	-			1,174,159	1,174,159
Investments in associates	-	-	-	-	-	-
Deferred tax asset	945	945	-	945	-	945
	3,865	3,865	2,547,460	3,865	5,730,240	8,281,565
Current assets						
Inventories	-	-	5,721,126	-	1,189,118	6,910,244
Trade and other receivables	-	-	4,156,361	-	1,377,403	5,533,764
Statutory Reserve Fund						
Account	-	-	-	66,096	-	66,096
Income tax asset	-	-	-		330,901	330,901
	-	-	9,877,487	66,096	2,897,422	12,841,005
Assets of disposal group classified as held for sale/						
distribution to owners	_	_	15,249,451	_		15,249,451
Total	3,865	3,865	27,674,398	69,961	8,627,662	36,372,022
Liabilities		,				
Non-current liabilities						
Borrowings	-	-	4,263,957	-	-	4,263,957
Lease liability	-	-	-		987,463	987,463
Deferred taxation liabilities	-	-	72,537	-	741,997	814,534
Deferred revenue	-	-	4,736	-	-	4,736
	-	-	4,341,230	-	1,729,460	6,070,690
Current liabilities						
Trade and other payables	34,089	34,089	4,510,908	48,952	2,639,272	7,199,132
Current income tax liabilities	8,004	8,004	115,522	8,004		123,526
Interest bearing Loans and	,	,	,			,
Borrowings	-	-	8,215	-	-	8,215
Dividend Payable	-	-	339,920	-	-	339,920
Deferred revenue	-	-	110,767	-	-	110,767
	42,094	42,094	5,085,332	56,956	2,639,272	7,781,560
Liabilities of disposal group	-			•		· · · · ·
classified as held for sale/ distribution to owners			8U0 E0E			8U0 E0E
	42.004	40.004	802,626	- - -	1 260 720	802,626
Total	42,094	42,094	10,229,188	56,956	4,368,732	14,654,876

<sup>\*</sup> Total net asset of subsidiary prior to disposal was N4.66bn, the share attributable to NCI amounted to N2.28bn.

Analysis of the results of the discontinued operations is as follows:

`	UPDC 31-Dec-20 N'000	UNICO 31-Dec-20 N'000	MDS 31-Dec-20 N'000	TOTAL 31-Dec-20 N'000	UPDC 31-Dec-19 N'000	UNICO 31-Dec-19 N'000	MDS 31-Dec-19 N'000	TOTAL 31-Dec-19 N'000
Revenue	436,074	2,481	ı	438,555	2,157,614	70,761	5,679,952	7,908,327
Cost of sales	(369,478)	1	ı	(369,478)	(3,035,743)	1	(4,262,576)	(7,298,319)
Gross profit	965'99	2,481	I	69,077	(878,129)	70,761	1,417,375	610,007
FV loss/write down of investment								
properties	ı	ı	ı	ı	57,202	ı	ı	57,202
(Loss)/Gain on disposal of investment								
properties	(47,173)	I	ı	(47,173)	(96,481)	1	ı	(96,481)
Other income/(loss)	(650,577)	(1,014)	ı	(651,591)	34,895	10,119	14,197	59,211
Selling and distribution expenses	(53,084)	ı	ı	(53,084)	(104,860)	1	(45,093)	(149,953)
Administrative expenses	(614,272)	ı	ı	(614,272)	(520,791)	(27,883)	(631,322)	(1, 179, 996)
Credit loss reversal/expense	1	1	1	ı	239,430	1		239,430
Guarantee on First Festival Mall Loan	(775,920)		ı	(775,920)				
Operating profit	(2,074,430)	1,467	1	(2,072,963)	(1,268,734)	52,997	755,157	(460,580)
Finance income	3,351	1	1	3,351	5,376	1	115,438	120,814
Finance cost	(637, 136)	I	ı	(637, 136)	(1,730,639)	ı	(167,731)	(1,898,370)
Share of profit of associates		I	I	l	584,617	ı	I	584,617
Loss before impairment	(2,708,215)	1,467	-	(2,706,748)	(2,409,380)	52,997	702,864	(1,653,519)
Impairment of Investment in Associates	ı	I	ı	ı	(261,466)	1	ı	(261,466)
(Loss)/Profit before tax	(2,708,215)	1,467	1	(2,706,748)	(2,670,846)	52,997	702,864	(1,914,985)
Tax expense:								1
Related to pre-tax profit/(loss) from the								
ordinary activities for the period	(74,098)	ı	1	(74,098)	454,722	1	(360,082)	94,640
Loss after tax	(2,782,313)	1,467	1	(2,780,846)	(2,216,124)	52,997	342,782	(1,820,345)
Profit/(loss) from discontinued operation	(126,584)	I	3,146,244	3,019,660	(143,168)	I	I	(143,168)
Dividend income from discontinued								
operation	972,860		1	972,860				1
Impairment of assets of disposal								
group held for sale	(742,012)	I	ı	(742,012)	(12,638,216)	1		(12,638,216)
(Loss)/profit from discontinued operations	(2,678,049)	1,467	3,146,244	469,662	(14,997,508)	52,997	342,782	(14,601,729)
Other Comprehensive income								ı
Total comprehensive (loss)/income for the period net of tax	(2,678,049)	1,467	3,146,244	469,662	469,662 (14,997,508)	52,997	342,782	(14,601,729)
-								

The assets are carried at carrying value since this is lower than the fair value less cost to sell.

UPDC provided a Revenue Guarantee of \$2million (Two Million Dollars) only for a loan taken by First Festival Mall Ltd, a Joint Venture. The loan has fallen due and First Festival Mall Ltd. was not able to repay. As a result of this, the lender called on the guarantee in May 2020. A provision has been made for this guarantee to the tune of \$2million (Two Million Dollars) only at the exchange rate of \$1 - N387.96.

Cashflows from discontinued operations:

The net cash flows incurred are, as follows:

	UPDC 31-Dec-20 N'000	UNICO 31-Dec-20 N'000	TOTAL 31-Dec-20 N'000	UPDC 31-Dec-19 N'000	UNICO 31-Dec-19 N'000	MDS Logistics 31-Dec-19 N'000	TOTAL 31-Dec-19 N'000
Operating	153,993	(12,883)	141,110	(2,716,026)	(106,684)	619,222.00	(2,203,488)
Investing	1,931,346	-	1,931,346	2,772,737	255,027	(1,330,478)	1,697,286
Financing	(874,844)	-	(874,844)	697,341	-	(938,731)	(241,390)
Net cash inflows/ (outflows)	1,210,495	(12,883)	1,197,612	754,052	148,343	(1,649,987)	(747,592)

#### 37. Disclosure of Interests in Other Entities

#### 37.1 Composition of the Group

UAC of Nigeria PLC is a holding company with interests in six primary verticals - Animal Feeds & Other Edibles (2 entities), Packaged Food & Beverages (1 entity), Quick Service Restaurants (1 entity), Real Estate (1 entity), Paints (2 entities) and Logistics (1 entity). The Group comprises of a corporate centre (the Company) holding interests in 8 entities.

#### 37.2 Subsidiaries with significant non-controlling interests

UAC Restaurants Limited (UACR) – UAC Restaurants Limited is a quick service restaurant company that operates through the Mr Biggs' and Debonairs Pizza chain of restaurants. The company's principal place of business is Lagos, Nigeria. In 2013, UAC divested 49% of its 100% stake in the company to Famous Brands, thereby retaining 51%. Famous Brands held a 49% stake in the company as at 31 December 2020. The loss allocated to Non-Controlling Interest (NCI) for the year 2020 is N30million (2019: Profit of N41.2 million) and no dividend was paid. As at 31 December 2020, the accumulated NCI in the subsidiary was N219 million (2019: N210 million).

UAC Foods Limited (UFL) – UAC Foods Limited is a company involved in the manufacture of packaged snacks, ice-cream and bottled spring water. The company's principal place of business is Lagos, Nigeria. In 2011, UAC divested 49% of its 100% stake in the company to Tiger Brands, thereby retaining 51%. Tiger Brands held a 49% stake in the company as at 31 December 2020 (2019: 49%). The profit allocated to Non-Controlling Interest (NCI) for the year 2020 is N450.4 million (2019:N580 million) and no dividend was paid in 2020 (2019 dividend paid: N740 million). As at 31 December 2020, the accumulated NCI in the subsidiary was N3.65 billion (2019: N3.2 billion).

#### Summarised financial information

31-Dec-19	UACR N'000	UFL N'000
Non-current assets	666,371	4,134,847
Current assets	779,553	6,931,249
Current liabilities	792,253	3,611,775
Non-current liabilities	225,110	602,529
Revenue	1,500,895	17,545,286
(Loss)/Profit before tax	(74,868)	1,561,487
Total comprehensive (loss)/income	(83,549)	1,185,094

31-Dec-20	UACR N'000	UFL N'000
Non-current assets	377,066	6,686,130
Current assets	707,199	4,798,443
Current liabilities	715,458	4,044,817
Non-current liabilities	10,940	953,433
Revenue	1,527,878	17,853,406
(Loss)/Profit before tax	(61,277)	896,793
Total comprehensive (loss)/income	(61,277)	896,793

#### 38. Events after the reporting period

On 26 October 2020, Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (Portland Paints) announced their intention to merge their respective businesses, with CAP emerging as the resultant entity. The merger will involve the transfer of all PPPN's assets, liabilities and undertakings to CAP and Portland Paints will thereafter be dissolved without being wound up. The respective minority shareholders of both companies approved the merger at separate Court-Ordered Meetings on 18 February 2021. Following the shareholder's approval of the merger, an application has been filed with the Securities and Exchange Commission for formal approval of the Merger, after which a petition will be filed at the Federal High Court to sanction the Merger.

Other than the merger of PPPN and CAP disclosed above, there are no other material events after the reporting period that are required to be adjusted for or disclosed in these financial statements.

#### 39. Fair Value Measurements

#### Fair value of investment property

An independent valuation of the group's investment property was performed by valuers to determine the fair value of investment properties as at 31 December 2020. The loss on fair valuation was credited to profit or loss and is shown in "other operating loss" (Note 6). The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The valuation of investment property results in a level 3 fair value.

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used to derive level 3 fair values

#### **Investment Property**

Level 3 fair values for investment property has been derived using the open market value. To obtain the open market value, the following were considered, a willing buyer, a willing seller, the property is freely exposed to the market, a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market. The open market value methodology falls within the "market approach" as stipulated by IFRS 13.

Warm Spring Waters Nigeria Limited was classified as held for sale during the year 2013. The company was valued at its current net assets value which after considering such factors as willing buyer, willing seller, the state of the company's operations and the quality of its earnings. This qualifies for a level 3 fair value

	Fair value measure	ments as at 31 Decem	ber 2019 using:
all figures in N'000 unless otherwise stated	Quoted prices in active markets for identical assets (Level 1) N'000	Significant other observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Recurring fair value measurements			
Investment Property			
UACN Company	-	-	2,096,624
UFL	-	-	303,712
Group	-	-	2,400,336
Financial assets fair valued through			
Other Comprehensive Income			
UACN Company	28,771	-	-

	Fair value measurements as at 31 December 2020 using:				
all figures in N'000 unless otherwise stated	Quoted prices in active markets for identical assets (Level 1) N'000	Significant other observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000		
Recurring fair value measurements					
Investment Property					
UAC Company	-	-	2,331,287		
UFL	-	-	303,712		
Group	-	-	2,634,999		
Financial assets fair valued through					
Other Comprehensive Income					
UACN Company	188,125	-	-		

Reconciliation of level 3 fair values	2019			
	Investment Property (Group) N'000	Investment Property (Company) N'000		
Opening balance	7,196,663	2,694,651		
Additions	917	917		
Disposals	-	(380,000)		
Net gain/ (loss) from fair value adjustment on investment property	(218,944)	(218,944)		
Assets of disposal group held for sale/distribution	(4,578,300)			
Closing Balance	2,400,336	2,096,624		

Reconciliation of level 3 fair values	2020			
	Investment Property (Group) N'000	Investment Property (Company) N'000		
Opening balance	2,400,336	2,096,624		
Additions	393	393		
Net gain/ (loss) from fair value adjustment on investment property	234,270	234,270		
Closing Balance	2,634,999	2,331,287		

Valuation process for the group

On an annual basis, the group engages external, qualified valuers to determine the fair value of the group's investment properties, using level 3 inputs. The firm of Messrs Steve Akhigbemidu & Co carried out the valuation exercise of investment properties as at 31 December 2020.

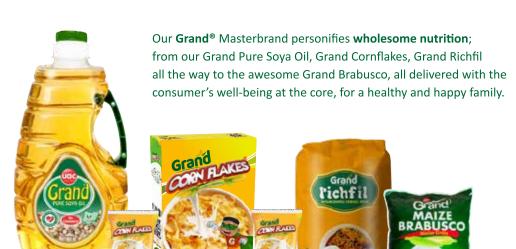
The external valuations of the level 3 investment properties have been performed using the Open Market Approach. The external valuers has determined these inputs based on the size, age, condition of the land and buildings, willing buyer, willing seller, the state of the local economy and a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2020	Fair value as at 31 December 2019	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment	2,634,999	2,331,287	Market	The price	The higher the
Property - UAC Company			Approach	range used per square metre are N20,000 – N75,000 which determined by demand and availability of property of that quality in that location	estimated price per square meter, the higher the value
Investment Property - UFL	303,712	303,712	Market Approach	The price range used per square metre are N20,000 – N75,000 which determined by demand and availability of property of that quality in that location	The higher the estimated price per square meter, the higher the value









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# **STATEMENT OF VALUE ADDED**

# FOR THE YEAR ENDED 31 DECEMBER 2020

	Group				Company			
	2020		2019		2020		2019	
	N Million	%	N Million	%	N Million	%	N Million	%
Turnover	81,358		79,202		758		759	
Share of associated companies' profits	973		-		-		-	
Interest received & other income	2,280		5,137		2,840		4,317	
Cost of materials and services:								
Imported	(7,637)		(10,155)		-		-	
Local	(60,027)		(70,842)		(4,194)		(2,087)	
Value Added	16,947	100	3,342	100	(596)	100	2,989	100
			,					
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	8,550	50	7,572	227	1,165	(196)	858	29
To pay government								
Taxes	1,663	10	2,111	63	414	(69)	490	16
To pay providers of capital								
Interest charges	502	3	991	30	-	-	-	-
To pay shareholders								
Dividend	3,457	20	288	9	3,457	(580)	288	10
Retained for replacement of assets								
and business growth:								
Depreciation and Amortisation	2,074	12	1,926	58	141	(24)	158	5
Non-controlling interest	1,276	8	(3,948)	(118)	-		-	-
Future Investment	(575)	(3)	(5,597)	(167)	(5,773)	969	1,195	40
	16,947	100	3,342	100	(596)	100	2,989	100

Value added represents the additional wealth which the Group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creation of additional wealth.

# **GROUP FIVE-YEAR FINANCIAL SUMMARY**

# YEAR ENDED 31 DECEMBER 2020

Naira millions	2016	2017	2018	2019	2020
Funds Employed					
Equity attributable to equity holders of the Company	46,418	51,076	57,885	50,080	52,642
Non-controlling interest	30,047	21,535	16,189	10,462	8,730
Creditors due after one year	10,067	6,300	9,212	6,001	6,222
Provisions	22	110	104	103	198
	86,555	79,021	83,390	66,646	67,792
Employment of funds					
Property, plant and equipment, Intangible assets,					
Investment Property and Other non -current assets	56,995	37,263	30,564	26,019	27,967
Long term investments	19,696	19,136	20,139	2,021	15,381
Net current (liabilities) / assets	9,877	10,184	24,353	19,269	26,820
	86,569	66,583	75,056	47,309	70,168
Capital expenditure	1,839	1,313	2,926	2,710	4,496
Depreciation	2,611	2,669	2,280	1,926	2,074

			IFRS		
Results	2016	2017	2018	2019	2020
Turnover	82,572	89,178	70,474	79,202	81,358
Profit from operations	8,640	7,031	3,920	5,666	3,597
Share of profit of associated companies	1,090	539	-	-	973
Taxation	(2,074)	(1,922)	(1,838)	(2,111)	(1,663)
Profit/ (loss) after tax and non-controlling interest	3,751	956	(6,045)	(5,308)	2,651
Dividend - proposed	(1,921)	(1,847)	(1,844)	(288)	(3,457)
Profit/ (loss) for the year retained	1,830	(965)	(7,918)	(7,152)	2,363
Share prices : High (kobo)	2,200	1,672	985	960	1,105
Low (kobo)	1,681	1,672	975	450	540
Market capitalisation (period-end)	32,290	32,117	28,093	24,779	20,889
Dividend per share (kobo)	100	65	64	10	120
Dividend per share (kobo) - adjusted	100	65	64	10	120
Earnings per share (kobo)	195	50	(209)	(183)	92
Earnings per share (kobo) - adjusted	195	50	(209)	(183)	92
Net assets per share (kobo)	3,981	3,807	2,571	2,101	2,130
Dividend cover (times)	1.0	0.7	0.6	0.1	1.2

# **COMPANY FIVE-YEAR FINANCIAL SUMMARY**

# YEAR ENDED 31 DECEMBER 2020

Naira millions	2016	2017	2018	2019	2020
Funds Employed					
Equity attributable to equity holders of the Company	22,292	23,451	40,132	39,771	37,167
Creditors due after one year	199	153	74	25	436
Provisions	-	-	90	90	90
	22,491	23,604	40,296	39,886	37,693
Employment of funds					
Property, plant and equipment	747	660	714	699	888
Long term investments	11,760	15,815	21,208	14,564	14,616
Net current (liabilities) / assets	6,902	4,208	15,408	16,616	8,331
	19,409	20,683	37,330	31,879	23,835
Capital expenditure	68	100	244	177	361
Depreciation	170	164	142	146	138

		IFRS				
Results	2016	2017	2018	2019	2020	
Turnover	912	827	681	759	758	
Profit from operations	1,513	1,551	1,278	(667)	(3,497)	
Taxation	(387)	(289)	(587)	(490)	(414)	
Profit after tax	2,627	3,080	3,609	1,484	(2,476)	
Dividend - proposed	(1,921)	(1,847)	(1,844)	(288)	(3,457)	
Profit for the year retained	706	1,159	1,736	(360)	-	
Share prices : High (kobo)	2,200	1,672	985	960	1,105	
Low (kobo)	1,681	1,672	975	450	540	
Market capitalisation (period-end)	32,290	32,117	28,093	24,779	20,889	
Dividend per share (kobo)	100	65	64	10	120	
Dividend per share (kobo) - adjusted	100	65	64	10	120	
Earnings per share (kobo)	137	160	140	52	(86)	
Earnings per share (kobo) - adjusted	137	160	140	52	(86)	
Net assets per share (kobo)	1,221	2,089	1,380	1,380	1,290	
Dividend cover (times)	1.0	0.7	0.6	0.1	1.2	

# **SHAREHOLDERS' INFORMATION**

Shareholders with 5% and above as at December 31, 2020

Name	Holding	Percentage (%)
Themis Capital Management	279,398,403	9.7
DALIO Property Development Limited	150,000,000	5.21

Except from those listed in the table above, no other individual or entity holds 5% and above of the company's issued share capital.

# **Range Analysis**

# **RANGE ANALYSIS AS AT 31-12-2020**

	Rar	nge	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	-	500	33,819	18.56	33,819	9,933,719	0.34	9,933,719
501	-	1,000	23,291	12.78	57,110	17,221,819	0.6	27,155,538
1,001	-	5,000	103,379	56.72	160,489	253,571,950	8.8	280,727,488
5,001	-	50,000	19,777	10.85	180,266	224,808,230	7.8	505,535,718
50,001	-	100,000	892	0.49	181,158	63,767,576	2.21	569,303,294
100,001	-	500,000	794	0.44	181,952	168,251,571	5.84	737,554,865
500,001	-	1,000,000	136	0.07	182,088	100,295,784	3.48	837,850,649
1,000,001	-	10,000,000	134	0.07	182,222	397,570,620	13.8	1,235,421,269
10,000,001	-	1,000,000,000	37	0.02	182,259	1,645,875,310	57.12	2,881,296,579
Gra	ınd	l Total	182,259	100		2,881,296,579	100	

# **UNCLAIMED DIVIDENDS**

# **UNCLAIMED DIVIDEND AS AT DECEMBER 31, 2020**

Since becoming a public company in 1974, the company has declared dividends and issued a number of scrip issues.

Currently, our unclaimed dividend accounts indicate that some dividend warrants have been returned to the Registrars as unclaimed either because the addresses could not be traced or because the affected shareholders no longer live at the addresses.

Affected shareholders are requested to contact the Registrars to update their records and furnish their bank and stockbroker details for e-mandate.

#### The Registrar

Africa Prudential PLC 220B Ikorodu Road, Palmgroove,

Lagos

Telephone: 0700 AFRIPRUD or 070023747783

Email: cxc@africaprudential.com

#### **UNCLAIMED DIVIDEND AS AT DECEMBER 31, 2020**

Div. No.	Financial Year End	Payable Year	Amount Declared	Dividend Per Share (N)	Amount Claimed to Date (N)	Amount Unclaimed (N)	Percentage Dividend Amount Unclaimed
44	2008	2009	2,305,037,264.40	1.2	2,303,557,874.77	1,479,389.63	0.06%
45	2009	2010	1,498,274,221.86	2	1,497,801,762.52	472,459.34	0.03%
46	2010	2011	1,584,713,118.78	1.3	1,384,418,090.29	200,295,028.49	12.64%
47	2011	2012	2,160,972,435.00	1.1	1,974,652,011.93	186,320,423.07	8.62%
48	2012	2013	2,561,149,104.00	1.5	2,386,024,069.39	175,125,034.61	6.84%
49	2013	2014	3,025,360,900.00	1.6	2,189,987,390.00	835,373,510.00	27.61%
50	2014	2015	3,129,810,899.96	1.75	2,357,455,762.03	772,355,137.93	24.68%
51	2015	2016	1,796,721,485.00	1	1,431,943,311.71	364,778,173.29	20.30%
52	2016	2017	1,791,336,140.90	1	1,347,478,376.30	443,857,764.60	24.78%
53	2017	2018	1,685,558,498.72	0.65	1,453,497,264.52	232,061,234.20	13.77%
54	2018	2019	1,692,457,315.06	0.64	1,374,276,855.09	318,180,459.97	18.80%
55	2019	2020	288,129,657.90	0.1	237,723,940.50	50,405,717.40	17.49%
		_	23,519,521,041.58		19,938,816,709.05	3,580,704,332.53	15.22%

# **SHARE CAPITAL HISTORY**

# **Authorised Capital**

# **Issued and Fully Paid Capital**

Date	From N'000	To N'000	From N'000	To N'000	Consideration
30/09/1976	26,000	40,000	23,760	39,600	Scrip issue (2 for 3)
23/09/1977	40,000	80,000	29,600	29,200	Scrip issue (1 for 1)
30/09/1978	80,000	100,000	79,200	99,000	Scrip issue (1 for 4)
30/09/1990	100,000	148,500	99,000	148,500	Scrip issue (1 for 2)
11/04/1990	148,500	163,350	148,500	163,350	Scrip issue (1 for 10)
16/09/1993	163,350	204,188	163,350	204,188	Scrip issue (1 for 4)
05/04/1994	204,188	204,188	204,188	161,308	Capital reduction
15/02/1995	204,188	204,188	161,308	181,727	Offer for subscription
03/07/1996	204,188	300,000	227,159	227,159	Scrip issue (1 for 1)
09/08/2000	300,000	300,000	227,157	454,318	Scrip issue (1 for 1)
27/10/2004	500,000	1,000,000	640,288	800,360	Scrip issue (1 for 4)
21/05/2010	1,000,000	1,000,000	640,288	800,360	Scrip issue (1 for 4)
24/05/2013	1,000,000	1,700,000	800,360	960,432	Scrip issue (1 for 5)
15/02/2018	1,000,000	1,700,000	960,432	1,440,648	Right issue (2 for 1)





# LIST OF DISTRIBUTORS AND KEY LOCATIONS



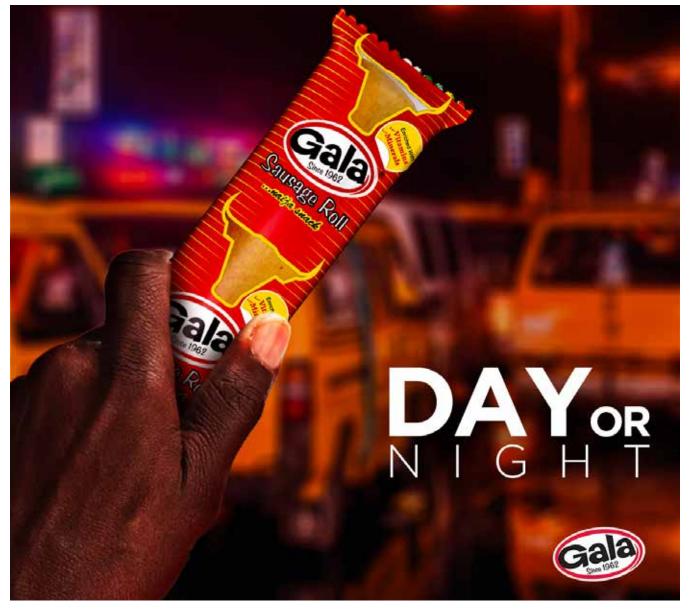
1         FEEZE NIG ENT         ABIA         131 ABAJOWERRI ROAD, ABA, ABIA STATE           2         CONVENANT STRIDE LTD         ABUJA         BLOCK D SHOP 126 WUSE MARKET ABUJA.           3         HSM CONTEMPORARY SERVICES         ABUJA         NO 4 PST BENSON CLOSE ANDIKAN ESTATE           4         ZUMKIA COMMERCIAL ENT.         ABUJA         BLOCK 30 M.N. OYAWOYE STREET, LIFE CAMP, ABUJA           5         LEMORJI VENTURES         ADAMAWA         NO. 115 BISHOP STREET, JIMETA, ADAMAWA STATE           6         PALMARK AGRO & VET LIMITED         ANAMBRA         NO. 4 AGULU ROAD, NNOBI, ANAMBRA STATE           7         TABITHA IBRAHIM MRS         BAUCHI         25 KOBI STREET, BAUCHI, BAUCHI, STATE           8         H H FARMS SABIU HALLIRU         BAUCHI         25 KOBI STREET, BAUCHI, BAUCHI, STATE           9         ALL SEASONS POULTRY         BENUE         485, BRISTOW SHOPS GRA/ GUADO JUNCTION GBOKO BENUE STATE           10         DANGALLAMME VENTURES         BORNO         NO. 11, OPPOSITE SHEHU GARBAI GATE 2           11         KYMEN VETCONSULT         DELTA         KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE           12         EROCOM GLOBAL VENTURES         DELTA         NO. 55 NIPC COMPLEX ROAD, EKPAN WARRI; 104 AIRPORT RD, DELTA STATE           13         XTO ENIC FARMS         DELTA         NO. 55 NI	S/No	Top 50 Distributors	State	Address
ABUJA   NO 4 PST BENSON CLOSE ANDIKAN ESTATE GWARINPA 2	1	FEEZE NIG ENT	ABIA	131 ABA/OWERRI ROAD, ABA, ABIA STATE
4 ZUMKIA COMMERCIAL ENT. ABUJA BLOCK 30 M.N. OYAWOYE STREET, LIFE CAMP, ABUJA 5 LEMORJI VENTURES ADAMAWA NO. 115 BISHOP STREET, JIMETA, ADAMAWA STATE 6 PALMARK AGRO & VET LIMITED ANAMBRA NO. 4 AGULU ROAD, NNOBI, ANAMBRA STATE 7 TABITHA IBRAHIM MRS BAUCHI BEHIND GSS TILDEN FULANI TORO LOCAL GOVERNMENT BAUCHI, BAUCHI STATE 8 H H FARMS SABIU HALLIRU BAUCHI BEHIND GSS TILDEN FULANI TORO LOCAL GOVERNMENT BAUCHI 9 ALL SEASONS POULTRY BENUE 48.5, BRISTOW SHOPS GRAV GUADO JUNCTION GBOKO BENUE STATE 10 DANGALLAMME VENTURES BORNO NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO 11 KYMEN VETCONSULT DELTA KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA 12 EROCOM GLOBAL VENTURES DELTA NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE 13 XTO ENIC FARMS DELTA NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE 14 FATTORIA SOLUZIONE COY DELTA 325 UGHELLUPATANI EXPRESSWAY, UGHELLI, DELTA STATE 15 EDUEFE NIG ENTERPRISE DELTA 134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI 16 GOD'S DEW NIG, LTD DELTA 155 OLD LAGGOS ASABA ROAD 17 SUNRISE GLOBAL AGRO SERVICES ENUGU NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHILKU, DELTA STATE 18 EVAMOS LINKS VENTURES IMO NO 6 TIJANI STREET, ORLU, IMO STATE 19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE 20 TRIMADE CORPORATE LINK LTD JIGAWA STATE 21 JEROMASKI FARMS AND HAULAGE KADUNA 22 ALIVYAH & AMIR VENTURES LTD KADUNA 23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	2	CONVENANT STRIDE LTD	ABUJA	BLOCK D SHOP 126 WUSE MARKET ABUJA.
ABUJA	3	HSM CONTEMPORARY SERVICES	ABUJA	
6       PALMARK AGRO & VET LIMITED       ANAMBRA       NO. 4 AGULU ROAD, NNOBI, ANAMBRA STATE         7       TABITHA IBRAHIM MRS       BAUCHI       25 KOBI STREET, BAUCHI, BAUCHI STATE         8       H H FARMS SABIU HALLIRU       BAUCHI       25 KOBI STREET, BAUCHI, BAUCHI STATE         9       ALL SEASONS POULTRY       BENUE       485, BRISTOW SHOPS GRA/ GUADO JUNCTION GOKO BENUE STATE         10       DANGALLAMME VENTURES       BORNO       NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO         11       KYMEN VETCONSULT       DELTA       KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA         12       EROCOM GLOBAL VENTURES       DELTA       NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE         13       XTO ENIC FARMS       DELTA       NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE         14       FATTORIA SOLUZIONE COY       DELTA       325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE         15       EDUEFE NIG ENTERPRISE       DELTA       134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI         16       GOD'S DEW NIG. LTD       DELTA       155 OLD LAGOS ASABA ROAD         17       SUNRISE GLOBAL AGRO SERVICES       ENUGU       NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE         18       EVAMOS LINKS V	4	ZUMKIA COMMERCIAL ENT.	ABUJA	
7       TABITHA IBRAHIM MRS       BAUCHI       25 KOBI STREET, BAUCHI, BAUCHI STATE         8       H H FARMS SABIU HALLIRU       BAUCHI       BEHIND GSS TILDEN FULANI TORO LOCAL GOVERNMENT BAUCHI         9       ALL SEASONS POULTRY       BENUE       48.5, BRISTOW SHOPS GRA/ GUADO JUNCTION GBOKO BRIVE STATE         10       DANGALLAMME VENTURES       BORNO       NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO         11       KYMEN VETCONSULT       DELTA       KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA         12       EROCOM GLOBAL VENTURES       DELTA       NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE         13       XTO ENIC FARMS       DELTA       NO. 50F ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE         14       FATTORIA SOLUZIONE COY       DELTA       325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE         15       EDUEFE NIG ENTERPRISE       DELTA       134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI         16       GOD'S DEW NIG. LTD       DELTA       155 OLD LAGOS ASABA ROAD         17       SUNRISE GLOBAL AGRO SERVICES       ENUGU       NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE         18       EVAMOS LINKS VENTURES       IMO       NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE <td>5</td> <td>LEMORJI VENTURES</td> <td>ADAMAWA</td> <td>NO. 115 BISHOP STREET, JIMETA, ADAMAWA STATE</td>	5	LEMORJI VENTURES	ADAMAWA	NO. 115 BISHOP STREET, JIMETA, ADAMAWA STATE
8       H H FARMS SABIU HALLIRU       BAUCHI GOVERNMENT BAUCHI         9       ALL SEASONS POULTRY       BENUE       485, BRISTOW SHOPS GRA/ GUADO JUNCTION GBOKO BENUE STATE         10       DANGALLAMME VENTURES       BORNO       NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO         11       KYMEN VETCONSULT       DELTA       KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA         12       EROCOM GLOBAL VENTURES       DELTA       NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE         13       XTO ENIC FARMS       DELTA       NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE         14       FATTORIA SOLUZIONE COY       DELTA       325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE         15       EDUEFE NIG ENTERPRISE       DELTA       134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI         16       GOD'S DEW NIG. LTD       DELTA       155 OLD LAGOS ASABA ROAD         17       SUNRISE GLOBAL AGRO SERVICES       ENUGU       NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE         18       EVAMOS LINKS VENTURES       IMO       NO. 41 BEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE         19       NEZY FARMS       IMO       NO 6 TIJANI STREET, ORLU, IMO STATE         20       TRIMADE CORP	6	PALMARK AGRO & VET LIMITED	ANAMBRA	NO. 4 AGULU ROAD, NNOBI, ANAMBRA STATE
GOVERNMENT BAUCHI  9 ALL SEASONS POULTRY BENUE 48.5, BRISTOW SHOPS GRA/ GUADO JUNCTION GBOKO BENUE STATE  10 DANGALLAMME VENTURES BORNO NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO  11 KYMEN VETCONSULT DELTA KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA  12 EROCOM GLOBAL VENTURES DELTA NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE  13 XTO ENIC FARMS DELTA NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE  14 FATTORIA SOLUZIONE COY DELTA 325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE  15 EDUEFE NIG ENTERPRISE DELTA 134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  16 GOD'S DEW NIG. LTD DELTA 155 OLD LAGOS ASABA ROAD  17 SUNRISE GLOBAL AGRO SERVICES ENUGU NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES IMO NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA ADJACENT JAMA'A PETROLEUM STATION	7	TABITHA IBRAHIM MRS	BAUCHI	25 KOBI STREET, BAUCHI, BAUCHI STATE
GBOKO BENUE STATE  10 DANGALLAMME VENTURES  BORNO  NO. 11, OPPOSITE SHEHU GARBAI GATE 2 DAMBOA ROAD MAIDUGURI BORNO  11 KYMEN VETCONSULT  DELTA  KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA  12 EROCOM GLOBAL VENTURES  DELTA  NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE  13 XTO ENIC FARMS  DELTA  NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE  14 FATTORIA SOLUZIONE COY  DELTA  DELTA  15 EDUEFE NIG ENTERPRISE  DELTA  DELTA  16 GOD'S DEW NIG. LTD  DELTA  DELTA	8	H H FARMS SABIU HALLIRU	BAUCHI	
DAMBOA ROAD MAIDUGURI BORNO  11 KYMEN VETCONSULT  DELTA  KM 3 REFINERY RD, EKPAN, WARRI; 104 AIRPORT RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA  12 EROCOM GLOBAL VENTURES  DELTA  NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE  13 XTO ENIC FARMS  DELTA  NO. 5 OFF ITIIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE  14 FATTORIA SOLUZIONE COY  DELTA  DELTA  325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE  15 EDUEFE NIG ENTERPRISE  DELTA  134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  16 GOD'S DEW NIG. LTD  DELTA  155 OLD LAGOS ASABA ROAD  17 SUNRISE GLOBAL AGRO SERVICES  ENUGU  NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES  IMO  NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS  IMO  NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD  JIGAWA  STATE  21 JEROMASKI FARMS AND HAULAGE  KADUNA  18 PARK ROAD ZARIA KADUNA STATE  22 ALIYYAH & AMIR VENTURES LTD  KADUNA  18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES  KADUNA  ADJACENT JAMA'A PETROLEUM STATION	9	ALL SEASONS POULTRY	BENUE	
RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE, DELTA  12 EROCOM GLOBAL VENTURES  DELTA  NO. 55 NNPC COMPLEX ROAD, EKPAN WARRI, DELTA STATE  NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE  14 FATTORIA SOLUZIONE COY  DELTA  DELTA  15 EDUEFE NIG ENTERPRISE  DELTA  DELTA  DELTA  DELTA STATE  16 GOD'S DEW NIG. LTD  DELTA  DELT	10	DANGALLAMME VENTURES	BORNO	
DELTA STATE  13 XTO ENIC FARMS  DELTA  NO. 5 OFF ITIUND ROAD, IRRI, ISOKO SOUTH LGA, DELTA STATE  14 FATTORIA SOLUZIONE COY  DELTA  325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE  15 EDUEFE NIG ENTERPRISE  DELTA  134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  16 GOD'S DEW NIG. LTD  DELTA  15 SUNRISE GLOBAL AGRO SERVICES  ENUGU  NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES  IMO  NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS  IMO  NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD  JIGAWA  STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA  COMP  RAPIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  22 ALIYYAH & AMIR VENTURES LTD  KADUNA  18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES  KADUNA  ADJACENT JAMA'A PETROLEUM STATION	11	KYMEN VETCONSULT	DELTA	RD, DELTA STATE; NEW EKU RD AMUKPE, SAPELE,
DELTA STATE  14 FATTORIA SOLUZIONE COY  DELTA  325 UGHELLI/PATANI EXPRESSWAY, UGHELLI, DELTA STATE  15 EDUEFE NIG ENTERPRISE  DELTA  134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  16 GOD'S DEW NIG. LTD  DELTA  155 OLD LAGOS ASABA ROAD  17 SUNRISE GLOBAL AGRO SERVICES  ENUGU  NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES  IMO  NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS  IMO  NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD  JIGAWA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE  COMP  ROAD KADUNA  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD  KADUNA  ADJACENT JAMA'A PETROLEUM STATION	12	EROCOM GLOBAL VENTURES	DELTA	
DELTA STATE  DELTA STATE  DELTA STATE  DELTA 134 JAKPA ROAD; JEDDO ROAD BY SUPASA FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  GOD'S DEW NIG. LTD DELTA 155 OLD LAGOS ASABA ROAD  NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  EVAMOS LINKS VENTURES IMO NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  TRIMADE CORPORATE LINK LTD JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  JEROMASKI FARMS AND HAULAGE KADUNA N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  ZALIYYAH & AMIR VENTURES LTD KADUNA ADJACENT JAMA'A PETROLEUM STATION	13	XTO ENIC FARMS	DELTA	
FILLING STATION; 34 AIRPORT RD, OPP MOSHESHE ESTATE, WARRI  16 GOD'S DEW NIG. LTD DELTA 155 OLD LAGOS ASABA ROAD  17 SUNRISE GLOBAL AGRO SERVICES ENUGU NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES IMO NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA COMP ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	14	FATTORIA SOLUZIONE COY	DELTA	
17 SUNRISE GLOBAL AGRO SERVICES ENUGU NO. 55 BENIN-ONITSHA OLD EXPRESS OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES IMO NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA N.A.F SHOPPING COMPLEX KADUNA/ 8, BANK COMP ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	15	EDUEFE NIG ENTERPRISE	DELTA	FILLING STATION; 34 AIRPORT RD, OPP
OGWASHIUKU, DELTA STATE  18 EVAMOS LINKS VENTURES IMO NO. 4 IBEME STREET EGBU ROAD/RELIEF MARKET ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	16	GOD'S DEW NIG. LTD	DELTA	155 OLD LAGOS ASABA ROAD
ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL, IMO STATE  19 NEZY FARMS IMO NO 6 TIJANI STREET, ORLU, IMO STATE  20 TRIMADE CORPORATE LINK LTD JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA N.A.F SHOPPING COMPLEX KADUNA/8, BANK COMP ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	17	SUNRISE GLOBAL AGRO SERVICES	ENUGU	
TRIMADE CORPORATE LINK LTD  JIGAWA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  1 JEROMASKI FARMS AND HAULAGE COMP  ROAD KADUNA  LIYYAH & AMIR VENTURES LTD  KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA STATE  N.A.F SHOPPING COMPLEX KADUNA/8, BANK ROAD KADUNA  RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA ROAD KADUNA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA ROAD KADUNA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA ROAD KADUNA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA ROAD KADUNA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA ROAD KADUNA RAFIN SANYI OFF HAKIMI STREET DUTSE, JIGAWA RAFIN SANYI OFF HAKIMI STREET DUTSE, J	18	EVAMOS LINKS VENTURES	IMO	ROAD JUNCTION, OWERRI MUNICIPAL COUNCIL,
STATE  21 JEROMASKI FARMS AND HAULAGE KADUNA N.A.F SHOPPING COMPLEX KADUNA/ 8, BANK COMP ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	19	NEZY FARMS	IMO	NO 6 TIJANI STREET, ORLU, IMO STATE
COMP ROAD KADUNA  22 ALIYYAH & AMIR VENTURES LTD KADUNA 18 PARK ROAD ZARIA KADUNA STATE  23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	20	TRIMADE CORPORATE LINK LTD	JIGAWA	
23 Y.E.S ENTERPRISES KADUNA ADJACENT JAMA'A PETROLEUM STATION	21		KADUNA	· ,
	22	ALIYYAH & AMIR VENTURES LTD	KADUNA	18 PARK ROAD ZARIA KADUNA STATE
	23	Y.E.S ENTERPRISES	KADUNA	

S/No	Top 50 Distributors	State	Address
24	NAJWA GLOBAL LINKS LTD	KADUNA	KM 67 ZARIA – KADUNA EXPRESSWAY,
			GWARGWAJI ZARIA, KADUNA STATE.
25	PHED AGRO VET NIG LTD	KANO	GIDAN KAJI, PLOT 1 & 2, ZUNGERU ROAD /
			AIRPORT ROAD, KANO, KANO STATE
26	KEBBI VET PHARMACY	KEBBI	DIRECTLY OPPOSITE NEW MOTOR PARK, BIRNIN
		14001	KEBBI, KEBBI
27	J & H VENTURES	KOGI	10 BESIDE AMUSEMENT PARK LOKOJA KOGI STATE
28	MUKRABS CONSULT	KWARA	3 EJIBA ST. BESIDE CUSTOM OFFICE ASA DAM RD ILORIN, KWARA
29	POTTS SROAB LIMITED	LAGOS	CN 17C AIYEDOTO POULTRY ESTATE, OJO, LAGOS
30	PROMASIDOR NIGERIA LIMITED	LAGOS	3A & B COWBELL WAY, ISOLO, LAGOS
31	JEHNS ENTERPRISES	NASARAWA	4 NEW MARKET ROAD, LAFIA, NASARAWA STATE
32	BOLAN CHRIST LTD	OGUN	16, OLANREWAJU ST AKOKA LAGOS 49 IBADAN
			ROAD IJEBU ODE OGUN STATE
33	INTERNATIONAL BREWERIES PLC	OSUN	LAWRENCE OMOLE WAY OMI ASORO ILESA,
			OSUN STATE
34	CONSOLATION VENTURES	OYO	DACAMCA HOTEL JUNCTION ALONG JEREEMILY ROAD, OYO TOWN
35	ATOB GLOBAL SERVICES NIG LTD	OYO	NO. 1 DENLOKUN VILLAGE, OPP WILLIAMS
			MEMORIAL PACK ORITEMERIN RD, IBADAN OYO
			STATE
36	BENITA VENTURES	PLATEAU	OPPOSITE FIRE SERVICE, BUKURU-JOS EXPRESS
			ROAD, JOS PLATEAU
37	MARY VENTURES	PLATEAU	BEHIND TOTAL FILLING STATION BUKURU-JOS EXPRESSWAY BUKURU
38	MAKOR TRADING COMPANY	PLATEAU	7, LANTANG STREET JOS PLATEAU
39	BOOT, BELT & BERET LTD. (AJAYI)	PLATEAU	1, LIPDO CLOSE DASHIK JOS PLATEAU STATE
40	LAWLAD INTEGRATED SERVICES	PLATEAU	6/7, BOUNDARY ST. JOS PLATEAU STATE
41	GCOML MULTI PURPOSE COOP SOC	PLATEAU	MULTIPURPOSE COOPERATIVE SOCIETY,
			RAYFIELD, PLATEAU
42	JAYDAV GLOBAL SOLUTIONS	PLATEAU	SHINKO JUNCTION MAI'ADIKO RAYFIELD, JOS- SOUTH
43	MAKPLANG VENTURE	PLATEAU	OPP. STATE LOWCOST HOUSING ESTATE BUNGHA MANGU
44	FAVOUR & FAVOUR GLOBAL	RIVERS	KM 16 PORT HARCOURT / ABA EXPRESSWAY,
	RESOURCES		OYIGBO, PORT HARCOURT, RIVERS STATE
45	ANIMAL AFFAIRS (NIG) LTD	RIVERS	38 AIRPORT ROAD, OFF RUMUOKORO
			ROUNDABOUT, OPP OBIO-AKPOR LGA
			HEADQUARTERS, PORT HARCOURT, RIVERS STATE
46	DAVISON FARMS	RIVERS	3 OFIRI CLOSE OFF RD 26, WOJI ESTATE, PORT
			HARCOURT
47	FLAIRS CONNECTION	RIVERS	NO. 92/94 EAST/WEST ROASD, RUMUDANA, PORT
			HARCOURT, RIVERS STATE
48	UMAR HUSSAINI SHINKAFI	SOKOTO	KOFAR ATIKU ROAD, SOKOTO, SOKOTO STATE
49	A. K. DAMAGUM ENTERPRISES	YOBE	YOBE SAVINGS & LOANS LIMITED. DAMATURU YOBE STATE
50	A.A RASHEED GENERAL ENTERPRISES	ZAMFARA	NO. 33 CANTEEN AREA GUSAU ZAMFARA



#### **Livestock Feeds PLC**

S/No	Distributor	Location
1	STET NIG. ENTERPRISES	ABIA
2	SKYVIC FARMS LTD	ABUJA
3	DEMS EBIBRI	DELTA
4	KENWOMA GLOBAL RESOURCES	DELTA
5	RABURAS GLOBAL RESOURCES	KANO
6	HBJ-PLUS COMPANY	LAGOS
7	OPYTUM NIG. LTD	OGUN
8	ABBA VENTURES LTD	OGUN
9	OMAS OLOPADE ANIMAL CARE	OGUN
10	BUKKY CHOICE FARM	OGUN
11	ORE OFE FARMS	OYO
12	PASPRO FARMS	PLATEAU
13	DE-NWABUKING NIG. ENTERPRISES	RIVERS





# Chemical and Allied Products PLC

S/N	Address		
	LAGOS		
1	17A, AJAO ROAD, OFF ADENIYI JONES AVENUE, IKEJA, LAGOS		
	9A OSOLO WAY, ASWANI MARKET ROUNDABOUT OFF INT'L AIRPORT ROAD,AJAO ESTATE,		
2	ISOLO,LAGOS		
3	28, RABIU BABBATUNDE TINUBU ROAD, BY APPLE JUNCTION, AMUWO ODOFIN, LAGOS		
4	22A LANRE AWOLOKUN, GBAGADA PHASE II, CHARLY BOY BUS STOP, GBAGADA, LAGOS		
5	133, OGUNLANA DRIVE, OPPOSITE UBA BANK, BESIDE ACCESS BANK, SURULERE, LAGOS STATE		
6	17A, BISHOP ABOYADE COLE STREET, VICTORIA ISLAND, LAGOS STATE.		
7	KM 18/19 LEKKI EPE EXPRESSWAY, IGBO-EFON BUS STOP BY CHEVRON ROUNDABOUT, LAGOS		
8	SUITE 1-4 BLUECREST MALL, BY FARA PARK ESTATE, MAJEK BUS-STOP, ABIJO, AJAH, LAGOS STATE.		
9	12B, ADMIRALTY WAY, OPPOSITE ASCON FILLING STATION, LEKKI PHASE 1, LAGOS		
10	AKORD SHOPPING MALL, BOGIJE, IBEJU-LEKKI, LAGOS		
11	8A ALFRED REWANE/KINGSWAY ROAD, IKOYI, LAGOS		
	ABUJA		
12	1259 AMINU KANO CRESCENT, BY ETISALAT, WUSE 2, ABUJA.		
13	72, YAKUBU GOWON CRESCENT, ASOKORO ABUJA		
14	PLOT 171, GOUBA PLAZA, AE EKUKINAM STREET, UTAKO DISTRICT, ABUJA		
15	PLOT 104,3 <sup>RD</sup> AVENUE, (PA MICHAEL IMODU) GWARINPA II, ESTATE, ABUJA		
16	7, DUNUKOFIA STREET, BY FCDA, AREA 11, GARKI, ABUJA		
17	AJB, PLOT 1123, OLADIPO DIYA (OPPOSITE ZENITH BANK), GUDU, APO DISTRICT, ABUJA		
18	10, YEDSERAM STREET, MAITAMA, ABUJA		
	DELTA		
19	40, EFFURUN-WARRI ROAD, OPPOSITE UNION BANK, WARRI, DELTA STATE		
20	417B, IDOLOR HOUSE, NNEBISI ROAD, BESIDE UZOIGWE PRIMARY SCHOOL, ASABA, DELTA STATE		
21	36, TRANS AMADI ROAD, RUMUBIAKANI, PORT HARCOURT, RIVERS STATE		
22	190/172, ABA ROAD, OPPOSITE WATERLINES BUS-STOP, PORT-HARCOURT		
	LA TRINITY MALL, ALONG G.U. AKE ROAD, BESIDE SALVATION MINISTRY, ELIOZU FLYOVER BRIDGE,		
23	ELIOZU, PORT-HARCOURT		
24	19, OGUI ROAD, CANUTE HOUSE, ENUGU		
05	KANO		
25	9B NIGER STREET, OPPOSITE ROYAL TROPICANA HOTEL, KANO		
	ALHAJIYEL PLAZA, OPPOSITE NIPOST OFFICE, BAUCHI ROAD, GOMBE, GOMBE STATE		
	EDO		
27	71, AKPAKPAVA ROAD, JAMES WATT, BENIN CITY, EDO STATE		
	OYO		
28	2A, AARE AVENUE, OFF AWOLOWO ROAD, NEW BODIJA, IBADAN		
	AKWA IBOM		
29	115, IKOT EKPENE ROAD, OPPOSITE FORMER AKTC, UYO, AKWA IBOM STATE		
	IMO		
30	PLOT 106, OKIGWE ROAD, OPPOSITE FEDERAL GOVERNMENT COLLEGE, OWERRI, IMO STATE		



## Portland Paints and Products Nigeria PLC

S/N	Address				
	LAGOS				
1	15 AROMIRE STREET, IKEJA LAGOS				
2	KM 20, LAGOS – EPE EXPRESSWAY, IGBO EFON BUS-STOP, AGUNGI VILLAGE, LEKKI LAGOS				
3	SUITE A, SHOP 10, AJAH SHOPPING MALL, AJAH, LAGOS				
4	12, ODUDUWA ROAD, LAFARGE CEMENT BUILDING, CAR WASH BUS STOP, OWORONSOKI, LAGOS				
	OYO				
5	27, MOLETE – CHALLENGE RD, POLICE POST BUS-STOP, IBADAN				
6	21, OPP SANGO POLICE STATION, OYO ROAD, IBADAN				
	EDO				
7	3 IDUSOGIE STREET, OFF ETETE GRA, BENIN CITY				
	DELTA				
8	107 EFFURUN/SAPELE ROAD, BESIDE MULTILINE PARK EFFURUN-WARRI, DELTA STATE				
9	300A EFFURUN/ SAPELE ROAD, REFINERY JUNCTION, WARRI, DELTA STATE.				
	ANAMBRA				
10	91 LIMCA ROAD NKPOR, ONITSHA, ANAMBRA STATE.				
	KADUNA				
11	AH20 LAGOS STREET- KADUNA				
12	8/9 CONSTITUTION ROAD, KADUNA				
	FCT				
13	SUITE 16, ZONE 3 SHOPPING COMPLEX, MAPUTO STREET, WUSE, FCT, ABUJA.				
14	2ND FLOOR, SHEIKH AHMED TIJANI PLAZA, OFF MICHEAL OPARA STREET, OPPOSITE IBRO HOTEL,				
	ZONE5, WUSE, FCT, ABUJA.				
15	SUITE A102/A103 A A ZAURO PLAZA, PLOT 492 AHMADU BELLO WAY-ABUJA				
16	4, NOBLE HEIGHT STREET, SUITE SF28 CITY CENTA SHOPPING COMPLEX KARU SITE, ABUJA				
	VANO.				
17	KANO				
_17	107, A LAMIDO CRESCENT NASARAWA GRA, KANO				



### **UAC Foods Limited**

S/N	Distributor	Location
	SNACKS	
1	DON CHRIS VENTURES	ANAMBRA
2	RONDASY ENT. (SUNPAUL SIDNEY NIG.)	LAGOS
3	SKYSEED VENTURES	ENUGU
4	JAPIO STORES	LAGOS
5	GOLDEN FRANK	ANAMBRA
6	GOD'S INTERVENTION	DELTA
7	VICTORY UCAN ENTERPRISES	LAGOS
8	CHAIN DISTRIBUTION	LAGOS
9	LAKESHAD'R' ENT AISHA VENTURES	LAGOS
10	MADONNA FOODS	IMO
	SWAN	
1	MBABELL NIGERIA ENTERPRISE	FCT
2	VALERIE CLAIRE NIG LTD	FCT
3	OLAYIWOLA STORES	PLATEAU
4	MUTOYLE ADEKUNLE	FCT
5	TURN BY TURN C. NIG. LTD.	PLATEAU
6	MASHEKARE VENTURE NIG LIMITED	BORNO
7	S.C OKONKWO NIG LTD	PLATEAU
8	FLAKY VENTURES	KADUNA
9	GODSWAY NIG LTD FCT	
10	IBRAHIM S. O. MUKAILO	KADUNA
	DAIRIES	
1	P & P OPTIMUM SERVICES	RIVERS
2	BLESSING & WISDOM COMPANY LIMITED	LAGOS
3	NAF & MAN GLOBAL SERVICES LIMITED	FCT
4	ZITONIA VENTURES ENUGU	
5	SHEBEG HOLDINGS LIMITED	KADUNA
6	AGBOLADE D. ENTERPRISES	LAGOS
7	DAVACE VENTURES	LAGOS
8	NMO CONSULTING	DELTA
9	DAVOBETH VENTURES	EDO
10	HADLAUCH NIGERIA LIMITED	DELTA







# **UAC Restaurants Limited**

S/N	RESTAURANT	STORE LOCATION	
1	OBA AKRAN	FORTE OIL FILLING STATION, OBA AKRAN, IKEJA, LAGOS	LAGOS
2	SATELLITE	MOBIL FILLING STATION, ALAKIJA BUS STOP LAGO:	
3	LEKKI	MOBIL FILLING STATION, LEKKI ROUND ABOUT, LEKKI	LAGOS
4	GOWON ESTATE	3RD AVENUE, A CLOSE FHA GOWON ESTATE, IPAJA	LAGOS
5	ABIJO	RAINOIL FILLING STATION LEKKI EPE EXPRESS WAY	LAGOS
6	BOLADALE -OSHODI	8, BOLADALE STREET, OSHODI	LAGOS
7	AKOKA, BARIGA	89, ST FINBARS ROAD, AKOKA, BARIGA	LAGOS
8	IYANA IPAJA	MOBIL FILLING STATION, NO 52-53 IYANA IPAJA ROAD, ALAGUNTAN	LAGOS
9	IFAKO GBAGADA	45 DIYA STREET, IFAKO GBAGADA	LAGOS
10	EJIGBO	OKE AFA ISOLO, OPPOSITE JAKANDE ESTATE, IKOTUN EJIGBO ROAD	LAGOS
11	IJESHATEDO	30 ADESINA ROAD, IJESHA - TEDO	LAGOS
12	IKOTUN	BESIDE ALIMOSHO LG COUNCIL IKOTUN	LAGOS
13	COMMAND	FATGBEM FILLING STATION AJASA COMMAND	LAGOS
14	LAGOS AIRPORT	OLD DEPARTURE HALL, LOCAL AIRPORT, MM1	LAGOS
15	MAFOLUKU -BEESAM	1 AKANNI SHOWUNMI STREET, BEESAM, MAFOLUKU	LAGOS
16	NORTHWEST	NORTHWEST FILLING STATION, VGC GATE AJAH EXPRESS WAY	LAGOS
17	IKEJA MALL	KEJA SHOPPING MALL LAGOS	
18	ABULE EGBA	MOBIL FILLING STATION, ABEOKUTA EXPRESSWAY. ABULE EGBA	LAGOS
19	PERIDOT	PERIDOT FILLING STATION , 71, FESTAC LINK ROAD, AMUWO ODOFIN	LAGOS
20	FESTIVAL MALL	GOLDEN TULIP HOTEL,AMUWO ODOFIN . FESTAC	LAGOS
21	OGUNLANA	166, OGUNLANA DRIVE, SURULERE	LAGOS
22	INTERNATIONAL AIRPORT	DEPARTURE WING OF INTERNATIONAL AIRPORT	LAGOS
23	IDIROKO	MOBIL FILLING STATION IYANA AGO IDIROKO BOARDER TOWN	LAGOS
24	AJAO	6B OSOLO WAY, AJAO ESTATE	LAGOS
25	ALAKUKO	LAGOS ABEOKUTA ROAD, ALAKUKO	LAGOS
		WEST REGION	
26	IJEBU ODE	124 FOLAGBADE STREET, IJEBU-ODE	OGUN
27	IWO ROAD	IWO RD ROUNDABOUT BY LAMIDI AJADI AND SONS LTD, IBADAN.	OYO
28	ILE-IFE	OPPOSITE FIRST BANK, LAGERE, ILE-IFE.	OSUN
29	RING ROAD	MOBIL FILLING STATION, OLUYOLE ESTATE, IBADAN	OYO
30	SAGAMU	140, AKARIGBO RD SAGAMU	OGUN
31	CHALLENGE	MRS FILLING STATION, MKO ABIOLA WAY CHALLENGE, IBADAN	OYO

S/N	RESTAURANT	STORE LOCATION	STATE
		EAST REGION	
31	SAPELE ROAD BENIN	57 SAPELE ROAD, BENIN	EDO
32	NEW MARKET ROAD ONITSHA	75, UPPER NEW MARKET ROAD, ONITSHA	ANAMBRA
34	ASABA	NO 329 NNEBISI ROAD, OPPOSITE STATE STADIUM, ASABA	DELTA
35	AGGREY ROAD PHC	NO 50 AGGREY ROAD, AGGREY, PORT HARCOURT	RIVERS
36	NNEWI	IGWE ORIZU ROAD, NNEWI	ANAMBRA
37	NKPOR, ONITSHA	23 LIMCA ROAD, NKPOR. ONITSHA	ANAMBRA
38	FEGGE	129 PORT HARCOURT ROAD, FEGGE ,ONITSHA	ANAMBRA
39	EKWULOBIA	12, NNEWI ROAD, EKWULOBIA	ANAMBRA
40	AUCHI	AUCHI ROAD	EDO
41	OWERRI MALL	OWERRI MALL, EGBU ROAD	IMO
42	OWERRI 2	IKENEGBU LAY OUT OWEERI	IMO
43	AWADA	EZE IWEKA ROAD	ANAMBRA
		NORTH REGION	
44	JOS 1	40/42 AHMADU BELLO WAY JOS	PLATEAU
45	JOS 2	37B YAKUBU GOWON WAY, JOS PLATEAU STATE	PLATEAU
46	MINNA	TUNGA BOSSO ROAD, MINNA	NIGER
47	JOS 3	ZARIA RD,GADA BIU, JOS	PLATEAU
48	LUGBE	LUGBE ABUJA	FCT
49	SOKOTO	12 MAIDUGURI RD SOKOTO	SOKOTO
50	UTAKO	MOBILE FILLING STATION , UTAKO. ABUJA.	FCT
51	KUBWA – ABUJA	K77 SULTAN DASUKI WAY KUBWA, ABUJA	FCT
52	APO	PURPLE STONE MALL, APO RESETTLEMENT AREA	FCT
53	KADUNA	SABO- NTASHA, KACHIA ROAD	KADUNA





### **UAC Restaurants Limited**

S/N	RESTAURANTS	LOCATION	
1	NORTHWEST	NORTHWEST FILLING STATION VGC	LAGOS
2	LEKKI ADMIRALTY	1 VICTORIA AROBIEKE STREET	LAGOS
3	IKOYI	MOBIL FILLING STATION	LAGOS
4	PERIDOT	71, FESTAC LINK RO, AMUWO ODOFIN	LAGOS
5	AJAO	6B OSOLO WAY, AJAO ESTATE	LAGOS
6	OWERRI	OWERRI MALL, EBGU ROAD, OWERRI	IMO



# MDS Logistics Limited

S/N	Location	Warehouse Addresses
		NORTH-NORTH REGION
1	GOMBE	PLOT 8, BIU ROAD, ADJACENT ZENITH BANK, GOMBE
2	KADUNA 2	1 - 4 AHMADU BELLO WAY,KADUNA
3	KADUNA 1	NO. 3, MAKERA ROAD, KAKURI, KADUNA
4	KANO	33/34 NIGER STREET KANO
5	KATSINA	PLOT 12, NAGOGO ROAD (CANTEEN RD), GRA, KATSINA
6	MAIDUGURI	10 NGURU ROAD,MAIDUGURI
7	SOKOTO	8, ABDULLAH! FODIO ROAD, SOKOTO
8	ZARIA	4 MANCHESTER ROAD, ZARIA
		NODTH CENTRAL RECION
9	ABUJA	NORTH-CENTRAL REGION  IOU INDUSTRIAL ESTATE,OFF AIRPORT JABI ROAD
		·
10	JALINGO MARKURDI	58 HOSPITAL ROAD, JALINGO
11		1,BEACH ROAD,MAKURDI
12	MINNA	S3 IBRAHIM DADA PAIKO ROAD, BEHIND MAGISTRATE COURT, OFF SHIRORO
		ROAD MINNA
13	JOS MAIN	28, MURITALA MOHAMMED WAY JOS
14	JOS	PLOT 6660,ANGLO JOS INDUSTRIAL LAYOUT,OFF OLD AIRPORT ROAD, JOS
15	YOLA	42 KASHIM IBRAHIM WAY, BAKIN KOGI AREA, YOLA
16	LOKOJA	10 UAC MAIN BUILDING, OPP. ADULT EDUCATION CENTER, UBA ROAD,LOKOJA
17	SULEJA	ALONG KADUNA/LOKOJA EXPRESS WAY, DUMEX JUNCTION, SULEJA
		EAST REGION
18	ABA	18, FACTORY, ABA
19	CALABAR	PLOT 32, INDUSTRIAL ESTATE, IKOT ANSA, CALABAR
20	ENUGU MAIN	142,OLD ABAKALIKI ROAD,EMENE IND. LAYOUT,ENUGU
21	ONITSHA	PLOT 5, INDUSTRIAL LAYOUT ,NIGER BRIDGE HEAD
22	OWERRI	3 ORJI MBIERI EXPRESS ROAD OFF KM 5 OKIGWE ROAD, OWERRI
23	PORT HARCOURT	4 FORCES AVENUE, OLD GRA PHC
24	UMUAHIA	2 MAYNE AVENUE,OPPOSITE FIRST BANK PLC, UMUAHIA
25	UYO	UAC HOUSE, GREEN FIELD EKIT ITAM NNPC MEGA STATION, IKOT EKPENE ROAD,
		WEST REGION
26	AKURE	KLM 4 ONDO ROAD, ONWARD ALLUMINIUM BUILDING. ADJASCENT FESSY WEST
	-	PETROL STATION AKURE
27	BENIN	27,OBA MARKET ROAD
28	IJEBU ODE	174, FOLAGBADE STREET ,OPP. FORMER ODUTOLA STORES, IJEBU-ODE
29	ILORIN	111 M/MOHAMMED WAY, ILORIN
30	ONDO	UAC COMPOUND, 2 ODODI8O STREET,IDI ISIN,ONDO
31	OSHOGBO	3 STATION RD, OPP GEN POST OFFICE, OSOGBO
32	OYO	ISHOLA MOTORS BUILDING, OGBOMOSHO ROAD, OYO
33	WARRI	INTERNATIONAL FURNITURE LIMITED BESIDE EMU BAKERY LTD. D.S.C. /
		ORHUWHORUN EXPRESS WAY JUNCTION, MOFOR, WARRI



# MDS Logistics Limited

S/N	Location	Warehouse Addresses
34	IBADAN	1, MAGAZINE RD JERICHO DUGBE OYO STATE
35	LAGOS	32 KUDIRAT ABIOLA WAY OREGUN IKEJA
36	LAGOS	PLOT 11, VORI CLOSE ACME ROAD OGBA
37	LAGOS	70, MARINA STREET, ELEGBETA LAGOS ISLAND

#### **PROXY FORM**



#### **UAC OF NIGERIA PLC**

Annual General Meeting of UAC of Nigeria PLC (the "Company") to be held on Wednesday, June 30th, 2021 at 12th Floor, UAC House, 1-5 Odunlami Street, Lagos at 10:00am

Attendance at the meeting shall be by proxy. Shareholders are required to appoint a proxy of their choice from the list of proxies below:

#### Name of Proxy

- Mr. Daniel Agbor
- Mr. Folasope Aiyesimoju
- Mrs. Babafunke Ijaiya-Oladipo C
- Mr. Matthew Akinlade

Mr. Daniel Agbor, Chairman of the Meeting, or one of the designated proxies, will act as default proxy for shareholders who send in executed proxy forms but do not appoint a proxy. Your proxy will attend the Meeting and vote on your behalf. Save for the election of Statutory Audit Committee members, voting at the Meeting will be by poll

I/We (name in block letters)

Being member(s	<i>'</i>	of UAC of Nigeria PLC, hereby appoint
		Or failing him/her, (in block letters)
		Or failing him/her, (in block letters)
		Or failing him/her, (in block letters)
UAC of Nigeria F	PLC (the "Meeting	As my/our proxy to act r behalf at the Annual General Meeting of g") to be held at 10:00am on Wednesday, urnment thereof.
Dated this	of	2021
Shareholder's Si	ignature	

#### **NOTES**

- 1. Please sign this Proxy Form and return it, physically to the Registrar, Africa Prudential PLC, 220B, Ikorodu Road, Palmgrove, Lagos, Nigeria; or via email, to cxc@africaprudential.com not later than 48 hours before the time appointed for the Meeting and ensure that the Proxy Form is dated and signed. If executed by a corporate body, this Proxy Form should be executed by its authorised representative(s)
- In the case of joint shareholders, any of them may complete this form, but the names of all joint shareholders must be stated
- It is a requirement of the law under the Stamp Duties Act that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be clearly stamped in accordance with the Stamp Duties Act. The Company has made arrangements at its expense, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time
- The Meeting will be streamed live online to enable shareholders and other stakeholders who will not attend the Meeting physically to follow the proceedings. The link for live streaming of the Meeting will be made available on the Company's website at www.uacnplc.com

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, JUNE 30th, 2021

	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1.	To declare an Ordinary Dividend of 65 kobo per ordinary share; and a Special Dividend of 55 kobo per ordinary share			
2.1	To re-elect Mr. Daniel Agbor as a Director of the Company			
2.2	To re-elect Mr. Bolaji Odunsi as a Director of the Company			
3.	To appoint KPMG Professional Services as the External Auditors of the Company			
4.	To authorise the Board of Directors to fix the remuneration of the External Auditors of the Company at ₩24,725,000 (exl. VAT)			
5.	To elect as members of the Statutory Audit Committee, those voted for by the simple majority of shareholders voting at the Meeting			
	SPECIAL BUSINESS	FOR	AGAINST	ABSTAIN
1.	To approve #106,580,296.33 (One Hundred and Six Million, Five Hundred and Eighty Thousand, Two Hundred and Ninety Six Naira, Thirty Three Kobo) as the remuneration of the Non-Executive Directors of the Company			
2.	To renew the shareholders' general mandate to the Board of Directors with respect to recurrent transactions with related parties			
3.	To consider and if thought fit, approve the following sub-joined resolutions as a special resolution of the Company:			
	a) Subject to all requisite regulatory approvals, that the Company hereby approves the Long-Term Incentive Plan (the "LTIP") described in the Notice of the AGM and that the Directors be and are hereby authorised to take all such steps and to do all such things as are required to give effect to the establishment of the LTIP, including but not limited to the establishment of an Employee Share Option Scheme (the "VCP") as the component of the LTIP, subject to a maximum size of 10% of the issued share capital of the Company			
	b) That the VCP shall be administered by the Board, and the Board may, in its discretion, do so through the appointment of a trustee on such terms and conditions as may be approved by the Board			
	c) That in order to give effect to the VCP the Board may authorise (i) the issue of any existing unissued shares in the capital of the Company (ii) the issue of new shares or (iii) the purchase by the Company of its own shares on the floor of the Nigerian Stock Exchange, whether solely or in such combination as the Board may determine			
	d) That any shares purchased by the Company on the floor of the Nigerian Stock Exchange shall not at any time exceed a maximum of 10% of the issued share capital of the Company			
	e) That with respect to the issuance of any new shares in connection with the VCP, any and all preemptive rights of the shareholders of the Company including such pre-emptive rights conferred by law or pursuant to Article 52 of the Company's Articles of Association be and are hereby waived			
	f) The authorisations granted to the Board of the Company with respect to the VCP shall remain valid and effective unless amended by the shareholders in general meeting, for as long as the LTIP and the VCP remain in operation by the Company.			
4.	To consider and if thought fit, approve the following resolution as a special resolution of the Company:			
	"That the Articles of Association of the Company be and are hereby amended by the insertion of the following new article as Article 14:			
	'Acquisition by the Company of its own shares:			

Subject to compliance with all applicable laws and regulations, the Company may purchase any of its

fully paid shares.

### **ADMISSION FORM**



#### 2021 Annual General Meeting Admission Card

Please admit the Shareholder named on this Card or his/her duly appointed proxy to the Annual General Meeting to be held at 10:00am on Wednesday, June 30th, 2021 at 12th Floor, UAC House, 1-5 Odunlami Street, Lagos. Name of Shareholder: Address of Shareholder:\_\_\_\_\_ Status: Shareholder Proxy Signature: \_\_\_\_ THIS CARD IS TO BE SIGNED AT THE VENUE BY THE REGISTRAR **UAC OF NIGERIA PLC** Annual General Meeting Admission Card Name and Address of Shareholder Signature of person attending SHAREHOLDER \_\_\_\_\_ PLEASE AFFIX

If undelivered, please return to

STAMP

#### The Registrar

Africa Prudential PLC 220B Ikorodu Road, Palm Groove, Lagos Tel: 0700 AFRIPRUD or 070023747783

web: www.africaprudential.com
email: cxc@africaprudential.com



PROXY\_\_\_



## **E-SERVICE/DATA UPDATE FORM**

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW   * = COMPULSORY FIELDS	Please tick against the company(ies) where you have shareholdings
1. *SURNAME/COMPANY NAME	CLIENTELE
2. *FIRST NAME 3. OTHER NAME	1. ABBEY MORTGAGE BANK PLC 2. ADAMAWA STATE GOVERNMENT BOND 3. AFRILAND PROPERTIES PLC 4. AFRICA PRUDENTIAL PLC
4. *GENDER M F 5. E-MAIL	5. A & G INSURANCE PLC 6. ALUMACO PLC 7. A.R.M LIFE PLC
6. ALTERNATE E-MAIL	8. BECO PETROLEUM PRODUCTS PLC  9. BUA GROUP
7. *DATE OF BIRTH  8. *MOBILE (1) (2) D MM Y Y Y Y	3. AFRILAND PROPERTIES PLC 4. AFRICA PRUDENTIAL PLC 5. A & G INSURANCE PLC 6. ALUMACO PLC 7. A.R.M. LIFE PLC 8. BECO PETROLEUM PRODUCTS PLC 9. BUA GROUP 10. BENUE STATE GOVERNMENT BOND 11. CAP PLC 12. CAPPA AND D'ALBERTO PLC 13. CEMENT COY. OF NORTHERN NIG. PLC 14. CSCS PLC 15. CHAMPION BREWERIES PLC 16. CWG PLC 17. CORDROS MONEY MARKET FUND
9. *ADDRESS	14. CSCS PLC  15. CHAMPION BREWERIES PLC  16. CWG PLC  17. CORPORA MARKET FIND
10. OLD ADDRESS (if any)	17. CORDROS MONEY MARKET FUND  18. EBONYI STATE GOVERNMENT BOND  19. GOLDEN CAPITAL PLC
11. *NATIONALITY 12. *OCCUPATION	18. EBONYI STATE GOVERNMENT BOND  19. GOLDEN CAPITAL PLC  20. INFINITY TRUST MORTGAGE BANK PLC  21. INVESTMENT & ALLIED ASSURANCE PLC  22. JAJT BANK PLC
13. *NEXT OF KIN NAME MOBILE	22. JAIZ BANK PLC  23. KADUNA STATE GOVERNMENT BOND  24. LAGOS BUILDING INVESTMENT CO. PLC
14. *MOTHER'S MAIDEN NAME	25. GLOBAL SPECTRUM ENERGY SERVICES PLC 26. MED-VIEW AIRLINE PLC 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc.)
15. BANK NAME 16. A/C NO.	28. NEXANS KABLEMETAL NIG. PLC 29. OMOLUABI MORTGAGE BANK PLC 30. PERSONAL TRUST & SAVINGS LTD 31. P.S MANDRIDES PLC
17. A/C NAME 18. A/C OPENING DATE DDMM YYYYY	32. PORTLAND PAINTS & PRODUCTS NIG. PLC
19. BANK VERIFICATION NO. (BVN)	35. ROADS NIGERIA PLC 36. SCOA NIGERIA PLC 37. TRANSCORP HOTELS PLC
21. CSCS CLEARING HOUSE NO. (CHN)	38. TRANSCORP PLC 39, TOWER BOND 40. THE LA CASERA CORPORATE BOND
DECLARATION	41. UACN PLC 42. UNITED BANK FOR AFRICA PLC
I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.	43. UNITED CAPITAL PLC  44. UNITED CAPITAL BALANCED FUND  45. UNITED CAPITAL BOND FUND
I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.	49, UNITED CAPITAL WEALTH FOR WOMEN FUND 50, UNIC DIVERSIFIED HOLDINGS PLC 51, UNIC INSURANCE PLC
Signature: Signature: Company Seal (if applicable)	52. UAC PROPERTY DEVELOPMENT COMPANY PLC 53. UTC NIGERIA PLC 54. VFD GROUP PLC 55. WEST AFRICAN GLASS IND PLC
Joint/Company's Signatories	OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud





Affix Recent Passport Photograph

**USE GUM ONLY NO STAPLE PINS** 

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

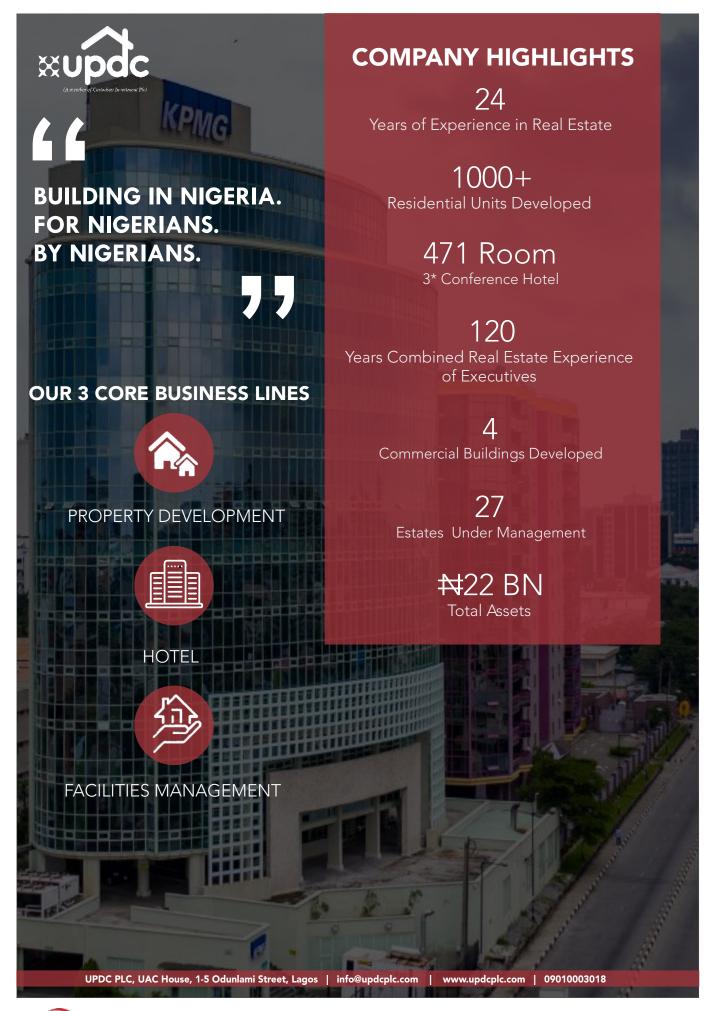
# **E-DIVIDEND MANDATE ACTIVATION FORM**

INSTRUCTION Please complete all section of the address below.	of this form to m	nake it eligible	for pro	ocessing c	ınd re <sup>.</sup>	turn to	Please tick agains where you have s		
<b>The Registrar</b> Africa Prudential Plc 220B, Ikorodu Road, Palmgra	ove, Lagos.						1. ABBEY MORTGAGE B 2. ADAMAWA STATE GO 3. AFRILAND PROPERTIE 4. AFRICA PRUDENTIAL I	DVERNMENT BON S PLC	F
I/We hereby request that hence my/our holdings in all the compute my/our bank detailed below	oanies ticked at						5. A & G INSURANCE PL 6. ALUMACO PLC 7. A.R.M LIFE PLC 8. BECO PETROLEUM PR	С	
Bank Verification Number (BVN):							9. BUA GROUP 10. BENUE STATE GOVER	RNMENT BOND	
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my/our shareholding and matters re	elated thereto.						53. UTC NIGERIA PLC		
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HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud







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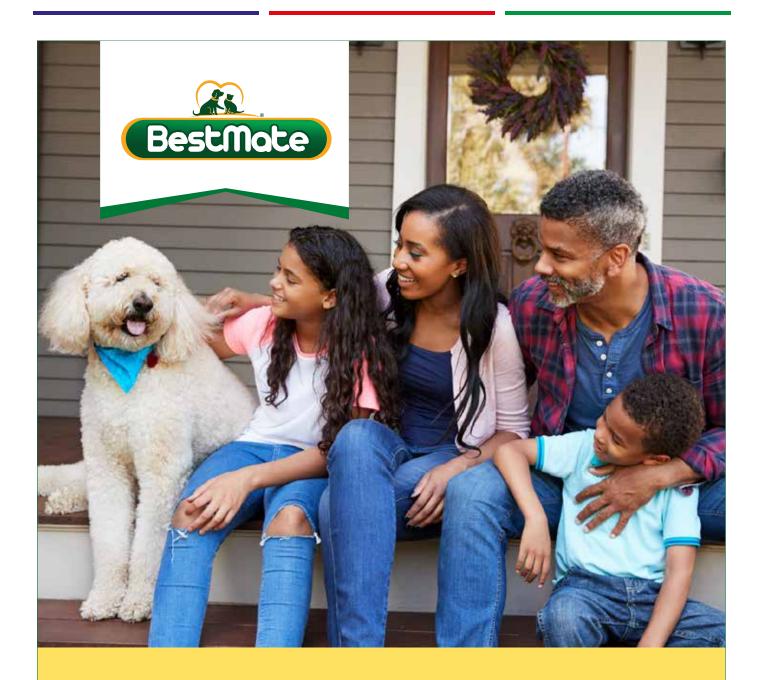
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