



UAC of Nigeria PLC
Consolidated and Separate Financial Statements for the year
ended 31 December 2021

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Consolidated and separate financial statements
for the year ended 31 December 2021

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Corporate Information

Board of Directors

Mr. Daniel Owor Agbor	Non-Executive Chairman	
Mr. Folasope Babasola Aiyesimoju	Group Managing Director	
Dr. Vitus Chidiebere Ezinwa	Chief Operating Officer	
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director	(Appointed w.e.f. 28 July 2021)
Dr. Umaru Alka	Non-Executive Director	
Mr. Babatunde Oladele Kasali	Non-Executive Director	
Mr. Bolaji Adekunle Odunsi	Non-Executive Director	
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director	
Mr. Karl Olutokun Toriola	Independent Non-Executive Director	

Company Secretary/Group General Counsel

Ayomipo Wey
[Email: info@uacnplc.com](mailto:info@uacnplc.com)

Registered Office

UAC House,
1-5 Odunlami Street,
Marina, Lagos

Company Website

www.uacnplc.com

Bankers

First Bank of Nigeria Limited
Access Bank PLC
FSDH Merchant Bank Limited
Guaranty Trust Bank
Union Bank of Nigeria PLC
United Bank for Africa PLC
Zenith Bank PLC
Stanbic IBTC Bank Limited
Coronation Merchant Bank Limited

Independent Auditor

KPMG Professional Services,
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island, Lagos
Tel: +234 1 271 8955 (or 8599)

The Registrar

Africa Prudential PLC
220B Ikorodu Road,
Palmgrove,
Lagos
Phone: 0700 AFRIPUD or 0700 237 47783
[Email: cxc@aficaprudential.com](mailto:cxc@aficaprudential.com)

Tax Identification Number (TIN)

01767079-0001

UAC of Nigeria PLC

Investor Relations Statement

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 Finance Director can also be reached through electronic mail at: investorrelations@uacnplc.com; or telephone on: +234 906 269 2908 for any investment related enquiry.

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Financial Highlights to the Audited Consolidated and Separate Financial Statements

	Group			Company		
	2021	2020	%	2021	2020	%
	N'000	Restated N'000	change	N'000	Restated N'000	change
Revenue	101,376,839	81,357,960	25	877,457	758,447	16
Operating profit/(loss)	4,921,860	3,274,383	50	1,388,986	(3,805,247)	n/m
Net finance income	81,949	837,282	(90)	1,098,260	1,743,570	(37)
Profit/(loss) before tax	4,108,373	5,084,981	(19)	2,487,246	(2,061,677)	n/m
Income tax expense	(1,519,214)	(1,696,583)	10	(142,622)	(447,911)	68
Profit/(loss) after tax for the year from continued operations	2,589,159	3,388,398	(24)	2,344,624	(2,509,588)	n/m
Profit/(loss) after tax for the year from discontinued operations	(2,105)	469,662	n/m	-	-	-
Profit/(loss) for the year	2,587,054	3,858,060	(33)	2,344,624	(2,509,588)	n/m
Other comprehensive income/(loss) for the year net of tax	(24,026)	212,102	n/m	36,000	140,642	(74)
Total comprehensive income/(loss) for the year net of tax	2,563,028	4,070,162	(37)	2,380,624	(2,368,946)	n/m
Total equity	50,838,306	60,675,504	(16)	31,805,046	36,679,989	(13)
Total equity and liabilities	98,463,387	91,698,190	7	41,068,205	46,211,032	(11)
Cash and cash equivalents	11,409,946	24,272,314	(53)	4,303,878	14,803,765	(71)
Earnings/(loss) per share (kobo) - Basic	63	90	n/m	81	(87)	n/m
Dividend per share (kobo) - Proposed/actual	65	120	(46)	65	120	(46)
NGX quotation as at December 31 (kobo)	950	725	31	950	725	31
Number of shares in issue ('000)	2,881,296	2,881,296	-	2,881,296	2,881,296	-
Market capitalisation as at December 31 (N'000)	27,372,312	20,889,396	31	27,372,312	20,889,396	31

n/m - Not meaningful

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Directors' Report

The Directors have the pleasure of submitting the annual report together with the consolidated and separate financial statements of UAC of Nigeria PLC (the "Company") for the year ended 31 December 2021.

Profit for the year

	2021	Restated 2020
	₦'000	₦'000
Group profit for the year	2,587,054	3,858,060

Dividend

The Directors have recommended the payment of an ordinary dividend of 65 kobo per ordinary share to members. Resolutions to this effect will be put to the annual general meeting, for the approval of members.

Activities

UAC of Nigeria PLC is a holding company with five (5) subsidiaries organised around four (4) principal sectors as follows: Animal Feeds and Other Edibles, Paints, Packaged Food and Beverages, and Quick Service Restaurants. The Company also has interests in a leading logistics company as well as a real estate development company.

Corporate Governance

This 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 organized in accordance with the provisions of its Memorandum and Articles of Association; and applicable statutory provisions as may be amended from time to time, such as the Companies and Allied Matters Act No 3 of 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 Exchange Limited.

The Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Board of 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 general meeting.

As at the time of this report, the Company's Board of Directors (the "Board") is made up nine (9) members consisting of six (6) Non-Executive Directors and three (3) Executive Directors. The Board is headed by a Non-Executive Chairman who is different from the Group Managing Director. The Group Managing Director leads the management of the Company in line with the Board's mandate. The current list of the members of the Board and their classification are as follows:

Mr. Daniel O Agbor	Non-Executive Chairman
Mr. Folasope B Aiyesimaju	Group Managing Director
Dr. Vitus C Ezinwa	Chief Operating Officer
Mrs. Babafunke A Ijaiya-Oladipo	Group Finance Director
Dr. Umaru Alka	Non-Executive Director
Mr. Babatunde O Kasali	Non-Executive Director
Mr. Bolaji A Odunsi	Non-Executive Director
Mrs. Suzanne O Iroche	Independent Non-Executive Director
Mr. Karl O Toriola	Independent 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, Non-Executive Directors 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:

- Considering and making decisions on Company policies and strategies formulated and presented to the Board by senior management, as well as oversight of the management and conduct of the business;
- Oversight over, and approval of, the Company's risk management framework;
- Succession planning and the appointment, training, remuneration and replacement of Board members and senior management;
- Oversight of the effectiveness and adequacy of internal control systems;
- Oversight of the maintenance of the Company's communication and information dissemination policies;
- Performance appraisals and compensation for Board members and senior executives;
- Ensuring effective communication with shareholders and the investing public;
- Ensuring the integrity of financial controls and reports;
- Ensuring ethical standards are maintained including approving and enforcing a code of ethics and business practices for the Company;
- Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and the Nigerian Code of Corporate Governance 2018;
- Defining the scope of authority delegated to Board Committees and senior management, including relevant checks and balances; and
- Defining the scope of corporate social responsibility through the approval of relevant policies.

Gender diversity and proportion of women in UAC of Nigeria PLC

UAC of Nigeria PLC is committed to ensuring equal working opportunities 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 process for appointment of Directors involves determining if there is need to appoint an additional Director, either to fill a vacancy, or otherwise. The Governance and Remuneration Committee (the 'GRC') is responsible for identifying individuals suitably qualified to become Board members having regard to the required skills, competence and experience.

The GRC will work to distill the Board's requirements and may seek input from stakeholders, including Directors, shareholders, advisers, consultants, and senior management. If the requirement is for an Executive Director, the GRC will rely on input from the Group Managing Director ("GMD") and the Chief Operating Officer ("COO"). Where the role to be filled is that of the GMD, the Board Chairperson shall be engaged.

Changes on the Board are timeously notified to relevant regulatory authorities and the investing public. Any Director who is appointed by the Board is presented at the next Annual General Meeting of the members of the Company for election in line with statutory requirements. A third of the non-executive members of the Board retire by rotation at Annual General Meetings.

Directors' induction and training

Every newly-appointed Non-executive Director receives a comprehensive letter of appointment from the Company, while Executive Directors execute negotiated and agreed contracts of service. Letters of appointment set out the terms of reference of the Board and its Committees, the Board structure, the Board Plan for current year, remuneration, 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 Company's 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 Conduct; 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. 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 delegation of authority framework; the Company's investor relations; and performance and talent management at the Company. They are also given an overview of the Company's budget.

Furthermore, Directors are introduced to Executive Management, who provide insight regarding the Company's operations. Periodic training programmes are also organized for Board members from time to time.

Board Evaluation

Pursuant to Section 14 of the Nigerian Code of Corporate Governance 2018, a board evaluation exercise was carried out by DCSL Corporate Services Limited ("DCSL") in 2021 to assess the performance of the Board benchmarked with the Company's objectives. Upon completion of the evaluation exercise, DCSL opined that:

- 1 The Board, to a reasonable extent, complied with governance principles, procedures and practices stipulated in the Nigerian Code of Corporate Governance and the Securities and Exchange Commission's Code of Corporate Governance for Public Companies;
- 2 The Company's governance documents affirm that the Board remains apprised of its duty as the focal point for, and custodian of, the Company's corporate governance framework;
- 3 The Board is committed to setting the pace for the observance of highest ethical standards and transparency in the conduct of the Company's business, and continued to maintain quality relationships with Executive Management, shareholders and other stakeholders of the Company; and
- 4 The Director's Peer Assessment and Chairman's Leadership Assessment indicate that individual directors discharged, satisfactorily, their governance responsibilities, performed creditably against set objectives, and continue to demonstrate strong commitment to enhancing the Company's growth.

DCSL also made recommendations, and the Company has, since receipt of DCSL's evaluation report, implemented DCSL's recommendations in order to entrench corporate best practice.

Retirement, Re-Election, and Election of Directors

Retirement

Dr. Okechukwu Mbonu, a Non-Executive Director and a member of the Board Governance and Remuneration Committee, who was appointed to the Board in 2015 retired with effect from October 15, 2021.

On behalf of the Board, we thank Dr. Mbonu for his great personal sacrifice and hard work over the years. The Company owes him a great debt of gratitude for his availability and dedication and for the contributions made in moving the Company towards a better future.

Re-Election

In accordance with Article 90 (3) of Articles of Association of the Company and Section 285 of CAMA, Mrs. Suzanne Iroche and Mr. Karl Toriola are the directors retiring by rotation and being eligible, offer themselves for re-election at the next Annual General Meeting.

The biographical information of Mrs. Iroche and Mr. Toriola is contained on the Company's website (www.uacnplc.com).

Appointment/Election

Mrs. Babafunke Ijaiya-Oladipo, the Group Finance Director who was appointed to the Board since the last Annual General Meeting, will retire at the next Annual General Meeting, and being eligible, offers herself for election. Mrs. Ijaiya-Oladipo's biographical information is on the Company's website (www.uacnplc.com).

Board meetings

The Board met six (6) times during the 2021 financial year. The following table shows the attendance of Directors at the Board Meetings:

Attendance of Directors at 2021 Board Meetings

Directors	24/2/2021	30/3/2021	28/4/2021	28/7/2021	28/10/2021	8/12/2021
Mr. Daniel Agbor	P	P	P	P	P	P
Mr. Folasope Aiyesimoju	P	P	P	P	P	P
Dr. Vitus Ezinwa	P	P	P	P	P	P
Mrs. Babafunke Ijaiya-Oladipo (appointed w.e.f 28/7/2021)	IA	IA	IA	IA	P	P
Dr. Umaru Alka	P	P	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P	P	P
Mr. Bolaji Odunsi	AWA	P	P	P	P	P
Dr. Okechukwu Mbonu (retired w.e.f 15/10/2021)	P	P	P	P	NLM	NLM
Mrs. Suzanne Iroche	P	P	P	P	P	P
Mr. Karl Toriola	AWA	AWA	P	P	AWA	P

Keys:

P – Present

AWA - Absent With Apology

NLM - No longer a member

IA- In Attendance, but the director was not a member at the time

The February 2021 meeting was impromptu, and not on the agreed Board Plan for 2021. Mr. Toriola's absence is therefore understandable in the circumstances.

Composition of Board Committees

The Board functioned through two Board Committees, namely, its Risk Management Committee; and its Governance and Remuneration Committee during the 2021 financial year. Board Committees make recommendations for approval by the full Board.

1. The Risk Management Committee

The Risk Management Committee comprises five (5) members, three (3) being Non-Executive Directors and two being 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 appointment of Independent Auditor;
- b) Assessing the independence of the Company's designated Independent Auditors before they are appointed, and from time to time thereafter, bearing in mind that:
 - an Independent Auditor cannot function in the role of management;
 - an Independent Auditor cannot audit its own work; and
 - an Independent Auditor cannot serve in an advocacy role for its client.
- 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;
- k) Reviewing quarterly risk management reports, and making recommendations to the Board on appropriate actions;
- l) 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.

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The Committee met four (4) times during the 2021 financial year. The following table shows the attendance of committee members at the meetings.

Directors	25/3/2021	26/4/2021	26/7/2021	25/10/2021
Mr. Bolaji Odunsi	P	P	P	P
Mr. Folasope Aiyesimoju	P	P	P	P
Dr. Vitus Ezinwa	P	P	P	P
Mrs. Babafunke Ijaiya-Oladipo (appointed to the committee w.e.f 28/10/2021)	IA	IA	IA	IA
Mr. Babatunde Kasali	P	P	P	P
Mr. Karl Toriola	AWA	P	P	AWA

Keys:

P – Present

AWA – Absent With Apology

IA – In Attendance, but the Director was not a member at the time

2. The Governance and Remuneration Committee

The Governance and Remuneration Committee comprises two (2) members who are both Non-executive Directors. Mrs. Suzanne Iroche, an Independent Non-Executive Director of the Company, is the Chair of the Committee. The Group Managing Director and the Chief Operating Officer only attended the meetings of the Committee to present reports and expatiate on people management and remuneration proposals.

The following are the terms of reference of the Governance and Remuneration Committee:

- Review the structure, size, composition, and commitment of the Board at least annually, and make recommendations on any proposed changes
- Drive a formal and transparent process for Board appointments;
- Assess the contribution of current Board members against their re-nomination suitability, and provide input to Board deliberations in this regard;
- Identify individuals suitably qualified to become Board members and make recommendations to the Board for their nomination and appointment as Board members;
- Periodically determine the skills, knowledge and experience required on the Board and its committees;
- Ensure that the Company has a formal programme for the induction and training of Board members;
- 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;
- Apply the Company's Remuneration Policy to executive management, and performance evaluation;
- Adopt incentive plans, and various governance responsibilities related to remuneration;
- Recommend to the Board a Company remuneration structure for all Directors and executive management;
- 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.
- Ensure that a formal and rigorous annual evaluation of the Board's performance, and that of its committees, the Board Chairperson, and individual Directors, is carried out, and that the evaluation exercises are supervised by the GRC, and are carried out annually, and that each evaluation is
- Ensure that a formal and rigorous annual evaluation of corporate governance, including the extent of application of all relevant corporate governance legislation and regulations, is carried out, and that the evaluation exercise is supervised by the GRC, and is carried out annually, and that each evaluation is carried out by an independent external consultant.

Committee Meetings

The Governance and Remuneration Committee met four (4) times during the 2021 financial year. The following table shows the attendance of committee members at the meetings.

Directors	24/2/2021	29/3/2021	26/7/2021	27/10/2021
Mrs. Suzanne Iroche	P	P	P	P
Dr. Okechukwu Mbonu (retired w.e.f 15/10/2021)	P	P	P	NLM
Dr. Umaru Alka	P	P	P	P

Key: -

P – Present

NLM – No Longer A Member

The Statutory Audit Committee

The Statutory Audit Committee consists of five (5) members, made up of three (3) representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year; and two (2) representatives of the Board of Directors nominated by the Board. The Chairman of the Committee is Mr. Olabisi Fayombo, a Chartered Accountant, lawyer, and shareholder representative. The Company Secretary is the Secretary to the Committee. In accordance with the Companies and Allied Matters Act No 3 of 2020, the number of Non-executive Directors in the Committee stands at two. Meetings of the Committee were attended by representatives of our outsourced Internal Audit Service Provider and our Independent External Auditors. The Committee operates within 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 Company's Audit Committee Charter.

The Statutory Audit Committee met four (4) times during the 2021 financial year. The following table shows attendance of members at the meetings.

Members	26/3/2021	27/4/2021	27/7/2021	26/10/2021
Mr. Olabisi Fayombo	P	P	P	P
Mr. Matthew Akinlade	P	P	P	P
Mr. Kenneth N Nwosu	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P
Mr. Bolaji Odunsi	P	P	P	P

Keys:

P – Present

Terms of Reference of the Statutory Audit Committee

The following are the terms of reference of the Committee:

- a) Ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) Reviewing the scope and planning of audit requirements;
- c) Keeping under review the effectiveness of the Company's system of accounting and internal control;
- d) Making recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company;
- e) Making 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) Authorising 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) Exercising 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) Ensuring the establishment of, and exercise oversight over, the internal audit function which provides assurance on the effectiveness of the internal controls;
- i) Ensuring 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) Overseeing the process for the identification of fraud across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- k) Discussing 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;
- l) Maintaining oversight of financial and non-financial reporting;
- m) Reviewing and ensuring 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) Approving 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) Preserving auditor independence, by approving clear hiring policies for employees or former employees of external auditors; and
- p) Ensuring 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 Code of Business Conduct is in place to protect business integrity and promote consistent organizational behaviour, by defining and instituting control measures against bribery, fraud and corrupt practices. The Company has a Management Risk Committee that ensures risk is proactively and holistically managed and also makes recommendations to the Board Risk Management Committee on risk and control related matters. The Company retains the outsourced internal audit services of PricewaterhouseCoopers, and the whistle-blowing ethics line services of KPMG Professional Services Limited.

Securities Trading Policy

In compliance with the Rules of Nigerian Exchange Limited, the Company has 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 the end of the financial period in review (quarterly, half-yearly, and full year) or 15 calendar days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price-sensitive information as defined in the Issuer's rules of Nigerian Exchange Limited, or the date of circulation of the agenda and Board papers pertaining to any price-sensitive information, whichever is earlier, except for the declaration of financial results and dividends which shall be treated under Rule 17.18 (a) (i). Closed periods shall end 24 hours after the price-sensitive information is submitted to Nigerian Exchange Limited via its Issuers' Portal. The trading window shall thereupon be opened.

Shareholders Complaints Management Policy

The Company has put in place a Complaints Management Policy to handle and resolve complaints from our shareholders. The Policy is endorsed by the Board, and senior management is responsible for its implementation, and for monitoring compliance. The Policy is on the Company's website.

Tenure of Directors, Professional Advisers and Consultants

Board of Directors

Name	Designation	Years in service
Mr. Daniel Agbor	Non-Executive Chairman	6 years 1 month
Mr. Folasope Aiyesimaju	Group Managing Director	3 years 9 months
Dr. Vitus Ezinwa	Chief Operating Officer	3 years 1 month
Mrs. Babafunke Ijaiya-Oladipo	Group Finance Director	5 months
Dr. Umaru Alka	Non-Executive Director	8 years 9 months
Mr. Babatunde Kasali	Non-Executive Director	8 years 9 months
Mr. Bolaji Odunsi	Non-Executive Director	3 years 1 month
Dr. Okechukwu Mbonu (retired w.e.f 15/10/2021)	Non-Executive Director	5 years 11 months
Mrs. Suzanne Iroche	Independent Non-Executive Director	2 years 4 months
Mr. Karl Toriola	Independent Non-Executive Director	2 years

Consultants and Professional Advisers

Name	Services	Tenure
PricewaterhouseCoopers	Internal Audit Service Provider	4 months (appointed 2021)
KPMG Professional Services	External Auditor	6 months (appointed 2021)
KPMG Professional Services	Whistle Blowing Ethics Lines	6 years (appointed 2015)
DCSL Corporate Services Limited	Corporate Governance and Board evaluation	9 months (appointed in 2021)
Deloitte	Tax Advisory and Consultancy	2 years (appointed 2020)

Directors' Interest in Shares

Name	Tuesday, March 30, 2021		Tuesday, March 29, 2022	
	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Daniel Agbor	Nil	35,000,000	Nil	35,000,000
Mr. Folasope Aiyesimoju	31,569	334,498,403	46,338,731	629,882,144
Dr. Vitus Ezinwa	361,174	Nil	1,485,174	Nil
Mrs. Babafunke Ijaiya-Oladipo (appointed w.e.f 28/7/2021)	237,740	Nil	237,740	Nil
Dr. Umaru Alka	8,109	Nil	8,109	Nil
Mr. Babatunde Kasali	10,000	Nil	10,000	Nil
Mr. Bolaji Odunsi	Nil	Nil	Nil	Nil
Mrs. Suzanne Iroche	Nil	Nil	Nil	Nil
Mr. Karl Toriola	Nil	Nil	Nil	Nil

Mr Daniel Agbor's indirect shareholding is held through Oakbrook Investments Limited.
Mr. Folasope Aiyesimoju is a director of Themis and AM&P, with a combined holding of 630million units

Directors' Interest in Contracts

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.

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

The Directors and employees of UAC of Nigeria PLC and its subsidiary companies have agreed 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 the Company's 2021 Annual Report.

The highlights of sustainability policies and programmes covering social issues such as corruption; community service; environmental protection; serious diseases; and initiatives relating to environmental, social, and governance matters are included in the Company's 2021 Annual Report.

Cases of Claw Back Being Pursued by the Company

In line with Section 16.9 of the Nigerian Code of Corporate Governance, Executive Directors contracts have claw back provisions.

Regulatory Sanctions and Penalties

UAC of Nigeria PLC did not incur any fine or penalty by any Regulator in the 2021 financial year, and indeed up to the reporting date.

Compliance with Code of Corporate Governance

The Company has substantially complied with the provisions of the Securities and Exchange Commission's Code of Corporate Governance for Public Companies, and the provisions of the Nigerian Code of Corporate Governance and continues to implement policies and improvements that move the Company towards full compliance in the short term.



Ayomipo Wey
Company Secretary
FRC/2013/NBA/00000003124

UAC of Nigeria PLC

Certification pursuant to section 405(1) of Companies and Allied Matters Act, 2020

We the undersigned hereby certify the following with regards to our audited consolidated and separate financial statements ("the report") for the year ended 31 December 2021 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not:
 - (i) contain 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 within 90 days prior to the date of the report and certify that the controls are effective as of that date.



Folasope Aiyegunmoju
Group Managing Director
FRC/2019/IODN/00000019806



Funke Ijaiya-Oladipo
Group Finance Director
FRC/2021/001/00000022822

Statement of Directors' Responsibilities

"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 31 December 2021 were approved by the Directors on 29 March 2022.

Signed on behalf of the Directors of the Company.



Mr. Dan Agbor
Chairman
FRC/2013/NBA/00000001748




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

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2021

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 31 December 2021 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 Auditor's Management Letter was satisfactorily dealt with by Management.



Mr. Olabisi Fayombo
Chairman, Audit Committee
FRC/2013/ICAN/0000002883

Dated 28th day of March, 2022

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
Ayomipo Wey

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UAC of Nigeria Plc

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 profit or loss and other comprehensive income;
- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

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 Company and its subsidiaries as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 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 Company in accordance with International Ethics Standards Board for Accountants 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 judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. These key audit matters apply to the audit of the consolidated and separate financial statements.

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami	Ayodele H. Othiwa	Joseph O. Tegbe	Olanike I. James	Tayo I. Ogungbenro
Adekunle A. Elebute	Bolanle S. Afolabi	Kabir O. Okunlola	Olufemi A. Babem	Termitope A. Onitiri
Adetola P. Adeyemi	Chibuzor N. Anyanechi	Lawrence C. Amadi	Olumide O. Olayinka	Tolulope A. Odukale
Adeyemi K. Ajayi	Chineme B. Nwigbo	Martins I. Arogie	Olusegun A. Sowande	Uzodinma G. Nwankwo
Ajibola O. Olomola	Elijah O. Oladunmoye	Mohammed M. Adama	Olutoyin I. Ogunlowo	Victor U. Onyenkpa
Akinyemi Ashade	Goodluck C. Obi	Nneka C. Eluma	Oluwatemi O. Awotoye	
Ayobami L. Salami	Ibitomi M. Adepoju	Olaimpe S. Afolabi	Oluwatoyin A. Gbagi	
Ayodele A. Soyinka	Ijeoma T. Emezie-Ezigo	Oladimeji I. Salaudeen	Oseme J. Obalaje	

1. Investment Properties	
Refer to significant accounting policies (Note 2.8) and related disclosures (Note 15) of the separate financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The Company owns a portfolio of investment properties comprising commercial properties, shopping malls, serviced residences and parcels of land. These investment properties are stated at their fair values based on independent external valuations.</p> <p>We focused on this area due to the size of the balance and the significant judgement required in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are based on the fair market value opinion of a professional valuation specialist engaged by management. The valuations are a source of estimation uncertainty and highly susceptible to management bias and risk of error i.e., a small change in the assumptions can have a significant impact on the valuation amount.</p> <p>The significance of the amounts involved and the uncertainties inherent in estimating the valuation of the investment properties makes this a key audit matter in the separate financial statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of management specialist's valuation methodology, including judgments and assumptions applied in determining the fair value of investment properties by comparing to acceptable industry standards. • We selected a sample of investment properties selected based on high fair value changes in the year ended 31 December 2021 and performed the following procedures: <ul style="list-style-type: none"> - we obtained comparative price analysis of recent transactions supporting the fair market value determined for the sample of investment properties selected. - we obtained and reviewed title and survey plan for the sample of investment properties selected, to evaluate the appropriateness of ownership and establish the dimensions of the investment properties. - we checked whether there are any properties with encumbrances and that this was considered in the determination of fair value. • We checked that the classification and disclosures in the financial statements were relevant as required by IAS 40: <i>Investment Property</i>.

2. Revenue recognition	
Refer to significant accounting policies (Note 2.17) and related disclosures (Note 5) of the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The Group earns revenue majorly from four key activities - animal Feeds and edible oils, packaged food and beverages, paints and quick service restaurants and significant judgement is applied in determining revenue recognition criteria. This requires a careful assessment of the appropriateness and timing of revenue recognition in accordance with the requirements of IFRS 15 <i>Revenue from contracts with customers</i>.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of identified controls established within the sales process. • We selected a sample of revenue transactions using statistical sampling methods and performed the following procedures:

<p>Furthermore, revenue is the most significant income statement account and impacts the majority of the key performance indicators on which the financial performance of the Group is assessed.</p> <p>These factors make revenue an area of significance in our audit.</p> <p>This is considered a key audit matter in the consolidated financial statements.</p>	<ul style="list-style-type: none"> - we tested compliance with the revenue standard (IFRS 15) including assessment of the appropriateness of the allocation of revenue to multiple performance obligations (where applicable). - we determined whether there were fictitious sales by obtaining direct confirmations from customers and matching sales invoices to related orders and dispatch notes at the transaction level. • We selected a sample of discounts and rebates granted to customers using statistical sampling methods and inspected relevant underlying documentation to assess if they were accurately computed and accounted for in the appropriate financial period. • We performed cut-off procedures by assessing whether revenue transactions occurring both prior to and after the year end date were recognized in the appropriate period. • We checked that disclosures in the financial statements were adequate and relevant as required by IFRS 15: <i>Revenue from Contracts with Customers</i>
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3. Inventories	
Refer to significant accounting policies (Note 2.11) and related disclosures (Note 22) of the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of inventories is significant and amounted to NGN36.2 billion representing 37% of total assets.</p> <p>Inventories is measured at the lower of cost and net realizable value, the determination of which involves application of management judgement.</p> <p>The Group has inventories at different stages of the production process and with varying requirement for stock handling and measurement. Also, cost is calculated using the weighted average cost method which is complex to measure.</p> <p>The significance of the balance involved and the complexities inherent in handling and measuring inventory makes this a significant matter in our audit.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of identified controls established within the inventory management process. • We observed year-end physical inventory count exercise and reviewed the related reconciliation and inventory measurement performed by management. • We reviewed the process and basis of overhead absorption and evaluated the appropriateness and reasonableness. • We evaluated management's assessment of inventory write-down by checking that the amount of write-down recognised for obsolete/slow moving inventory items is reasonable.

	<ul style="list-style-type: none"> • We selected a sample of inventories using statistical sampling methods and performed the following procedures: <ul style="list-style-type: none"> - we checked for the appropriateness of the Group's inventory measurement method in line with the requirements of IAS 2: <i>Inventories</i> and performed inventory pricing test on the sample of inventories selected. - we performed net realisable value tests on the sample of inventories selected. • We checked that the disclosures in the financial statements were adequate and relevant as required by IAS 2: <i>Inventories</i>
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Other Matter Relating to Comparative Information

The consolidated and separate financial statements of the Group and Company for the years ended 31 December 2020 and 31 December 2019 (from which the statement of financial position as at 1 January 2020 has been derived), excluding the adjustments described in Note 39 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 31 March 2021 and 15 April 2020 respectively.

As part of our audit of the consolidated and separate financial statements as at and for the year ended 31 December 2021, we audited the adjustments described in Note 39 that were applied to restate the comparative information presented as at and for the year ended 31 December 2020 and the statement of financial position as at 1 January 2020. We were not engaged to audit, review or apply any procedures to the financial statements for the years ended 31 December 2020 or 31 December 2019 (not presented herein), or to the statement of financial position as at 1 January 2020, other than with respect to the adjustments described in Note 39 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated and separate financial statements taken as a whole. The adjustments described in Note 39 are appropriate and have been properly applied.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Financial Highlights, Report of the Directors, Corporate Governance Report, Report of the Statutory Audit Committee, Statement of Directors Responsibilities in Relation to the Financial Statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures which we obtained prior to the date of this report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes the Chairman's statement, shareholders' information amongst others together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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, 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.



When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group (and 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

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

Signed:

Goodluck C. Obi, FCA

FRC/2012/ICAN/00000000442

For: KPMG Professional Services

Chartered Accountants

30 March 2022

Lagos, Nigeria




UAC of Nigeria PLC
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2021


		The Group		The Company	
	Notes	31 Dec 21 N'000	Restated 31 Dec 20 N'000	31 Dec 21 N' 000	Restated 31 Dec 20 N' 000
Continuing operations					
Revenue	5	101,376,839	81,357,960	877,457	758,447
Cost of sales	8	(83,837,291)	(65,367,532)	-	-
Gross profit		17,539,548	15,990,428	877,457	758,447
Dividend income	6	260,093	9,675	1,561,023	349,695
Other operating income/(loss)	7i	2,076,149	851,995	1,586,784	(2,611,105)
(Impairment loss)/writeback on financial assets	7ii	(15,950)	(120,487)	26,083	159,624
Selling and distribution expenses	8	(6,345,986)	(5,776,661)	-	-
Administrative expenses	8	(8,591,994)	(7,680,567)	(2,662,361)	(2,461,908)
Operating profit/(loss)		4,921,860	3,274,383	1,388,986	(3,805,247)
Finance income	9	1,557,919	1,339,112	1,098,260	1,743,570
Finance costs	9	(1,475,970)	(501,830)	-	-
Net finance income		81,949	837,282	1,098,260	1,743,570
Share of (loss)/profit of associates using the equity method	18	(895,436)	973,316	-	-
Profit/(loss) before tax		4,108,373	5,084,981	2,487,246	(2,061,677)
Income tax expense	10	(1,519,214)	(1,696,583)	(142,622)	(447,911)
Profit/(loss) after tax for the year from continuing operations		2,589,159	3,388,398	2,344,624	(2,509,588)
Discontinued operations					
(Loss)/profit after tax for the year from discontinued operations	37	(2,105)	469,662	-	-
Profit/(loss) for the year		2,587,054	3,858,060	2,344,624	(2,509,588)
Other comprehensive income:					
<i>Items not to be subsequently recycled to profit or loss</i>					
Net changes in fair value of financial assets net of tax	17	36,000	140,642	36,000	140,642
Share of other comprehensive income of associate using the equity method		(60,026)	71,460	-	-
Other comprehensive income/(loss) for the year net of tax		(24,026)	212,102	36,000	140,642
Total comprehensive income/(loss) for the year net of tax		2,563,028	4,070,162	2,380,624	(2,368,946)
Profit/(loss) attributable to:					
Equity holders of the parent		1,806,907	2,591,811	2,344,624	(2,509,588)
Non controlling interests		780,147	1,266,249	-	-
		2,587,054	3,858,060	2,344,624	(2,509,588)
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		1,782,881	2,822,625	2,380,624	(2,350,234)
Non controlling interests		780,147	1,266,249	-	-
		2,563,028	4,088,874	2,380,624	(2,350,234)
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	63	69	81	(87)
From discontinued operations	12	(0)	21	-	-
From profit/(loss) for the year		63	90	81	(87)
Diluted earnings/(loss) per share					
From continuing operations	12	63	69	81	(87)
From discontinued operations	12	(0)	21	-	-
From profit/(loss) for the year		63	90	81	(87)

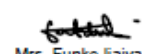
Consolidated and Separate Statements of Financial Position
as at 31 December 2021

		The Group			The Company		
		31 Dec 21	Restated 31 Dec 20	Restated 1 Jan 20	31 Dec 21	Restated 31 Dec 20	Restated 1 Jan 20
	Notes	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Assets							
Non-current assets							
Property, plant and equipment	13	22,223,664	21,011,834	18,919,587	932,783	888,144	699,102
Intangible assets and goodwill	14	1,519,649	1,373,223	1,417,604	6,889	10,034	10,203
Investment property	15	3,470,685	2,634,999	2,400,336	3,470,685	2,331,287	2,096,624
Investments in associates	18	8,491,446	13,018,568	-	5,314,507	8,886,167	-
Finance lease receivables	23.1	10,372	8,766	-	-	-	-
Right of use assets	21	717,894	504,989	1,116,407	-	-	-
Debt instruments at amortised cost	19	2,296,986	2,174,304	1,991,907	2,296,986	2,174,304	1,991,907
Trade and other receivables	23	2,848,174	48,126	132,960	3,377,124	48,126	131,191
Equity instruments at fair value through other comprehensive income	17	449,975	188,125	28,771	449,975	188,125	28,771
Investments in subsidiaries	16	-	-	-	18,535,951	14,615,951	14,563,767
Deferred tax asset	26	-	38,653	11,619	-	-	-
Total non-current assets		42,028,845	41,001,587	26,019,191	34,384,900	29,142,138	19,521,565
Current assets							
Inventories	22	36,213,523	20,123,071	16,290,212	-	3,602	3,602
Trade and other receivables	23	8,254,587	6,015,921	4,580,952	2,249,427	2,131,527	17,243,071
Finance lease receivables	23.1	3,300	1,606	-	-	-	-
Cash and cash equivalents	24	11,409,946	24,272,314	23,891,135	4,303,878	14,803,765	8,126,164
Refund assets	20	3,328	14,330	7,384	-	-	-
Total current assets		55,884,684	50,427,242	44,769,683	6,553,305	16,938,894	25,372,837
Non-current assets held for sale	37	545,993	265,496	-	130,000	130,000	3,658,420
Assets of disposal group classified as held for sale	37c	3,865	3,865	36,372,022	-	-	-
Total assets		98,463,387	91,698,190	107,160,896	41,068,205	46,211,032	48,552,822
Equity and Liabilities							
Ordinary share capital	33	1,440,648	1,440,648	1,440,648	1,440,648	1,440,648	1,440,648
Share premium		14,174,606	18,071,545	18,451,844	14,612,181	18,509,120	18,509,120
Contingency reserve		69,571	69,571	69,571	-	-	-
Fair value reserve		215,845	239,872	27,770	204,411	168,412	27,770
Equity settled share based payment reserve		98,931	-	-	98,931	-	-
Other reserve		91,923	91,923	91,923	-	-	-
Retained earnings		29,889,951	32,092,148	29,439,586	15,448,875	16,561,809	19,359,526
Equity attributable to equity holders of the Company		45,981,475	52,005,707	49,521,342	31,805,046	36,679,989	39,337,064
Non controlling interests		4,856,831	8,669,797	10,412,287	-	-	-
Total equity		50,838,306	60,675,504	59,933,629	31,805,046	36,679,989	39,337,064
Liabilities							
Non-current liabilities							
Borrowings	25	339,723	1,735,284	1,850,583	-	-	-
Government grants	28	-	209,040	-	-	-	-
Deferred tax liabilities	26	4,649,022	4,505,050	4,150,461	455,987	454,703	24,625
Employee benefits	32	72,296	94,403	58,539	-	-	-
Lease liability	21	271,009	224,391	455,494	-	-	-
Provisions	31	16,643	6,357	7,387	-	-	-
Total non-current liabilities		5,348,693	6,774,525	6,522,464	455,987	454,703	24,625
Current liabilities							
Trade and other payables	27	10,879,115	9,944,818	9,875,221	1,438,876	1,219,418	1,120,300
Contract liabilities	29	2,425,294	1,340,627	869,259	95,562	159,277	152,775
Current income tax liabilities	10	3,726,695	3,814,160	4,510,936	2,490,527	2,480,618	2,984,185
Current portion of borrowings	25	19,571,889	2,503,673	4,595,937	-	-	-
Dividend payable	30	5,193,036	6,084,307	5,517,803	4,692,259	5,127,079	4,843,925
Government grants	28	-	58,343	50,107	-	-	-
Lease liability	21	341,627	250,926	526,623	-	-	-
Provisions	31	92,948	192,018	95,948	89,948	89,948	89,948
Refund liabilities	20	3,690	17,195	8,093	-	-	-
Total current liabilities		42,234,294	24,206,067	26,049,927	8,807,172	9,076,340	9,191,133
Liabilities of disposal group classified as held for sale/distribution to owners	37	42,094	42,094	14,654,876	-	-	-
Total liabilities		47,625,081	31,022,686	47,227,267	9,263,159	9,531,043	9,215,758
Total equity and liabilities		98,463,387	91,698,190	107,160,896	41,068,205	46,211,032	48,552,822

The financial statements and the notes on pages 24 to 89 were approved and authorised for issue by the board of directors on 29 March 2022 and were signed on its behalf by:


 Mr. Dan Agbor
 Chairman
 FRC/2013/NBA/00000001748


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


 Mrs. Funke Ijaiya-Oladipo
 Group Finance Director
 FRC/2021/001/00000022822

UAC of Nigeria PLC
Audited Consolidated and Separate Statements of Changes in Equity
for the year ended 31 December 2021

The Group										
Attributable to owners of the Company										
Notes	Share Capital	Share Premium	Contingency Reserve	Fair value Reserve	Other Reserve	Equity Settled Share-based Payment Reserve	Retained Earnings	Total	Non controlling Interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total equity at 1 January 2021	1,440,648	18,071,545	69,571	239,872	91,923	-	32,092,148	52,005,707	8,669,797	60,675,504
Profit for the year	-	-	-	-	-	-	1,806,907	1,806,907	780,147	2,587,054
Other comprehensive income										
Share of net changes in fair value of financial assets of associates	18	-	-	(60,026)	-	-	-	(60,026)	-	(60,026)
Net changes in fair value of financial assets	17	-	-	40,000	-	-	-	40,000	-	40,000
Tax on other comprehensive income				(4,000)				(4,000)		(4,000)
Transactions with Equity holders										
Acquisition of shareholdings in subsidiary	16(a), (c)	-	-	-	-	-	(61,548)	(61,548)	(3,893,625)	(3,955,173)
Share based benefit	33(e)					98,931	-	98,931		98,931
Dividend declared	30						(3,457,556)	(3,457,556)	(930,727)	(4,388,283)
Unbundling of UPDC REIT units	37(b)	-	(3,896,939)	-	-	-	-	(3,896,939)	-	(3,896,939)
Share issue cost	16(a)	-	-	-	-	-	(3,096)	(3,096)	(2,380)	(5,476)
Change in NCI due to CAP/PPNP merger	16(a)	-	-	-	-	-	(486,904)	(486,904)	233,619	(253,285)
Balance at 31 December 2021	1,440,648	14,174,606	69,571	215,845	91,923	98,931	29,889,951	45,981,475	4,856,831	50,838,306
Total equity at 1 January 2020	1,440,648	18,451,844	69,571	27,770	91,923		29,997,823	50,079,579	10,461,833	60,541,412
Impact of restatement of comparative information	39						(558,238)	(558,238)	(49,546)	(607,784)
Restated balance at 1 January 2020	1,440,648	18,451,844	69,571	27,770	91,923		29,439,585	49,521,341	10,412,287	59,933,628
Profit for the year	-	-	-	-	-	-	2,591,811	2,591,811	1,266,249	3,858,060
Other comprehensive income										
Share of net changes in fair value of financial assets of associates		-	-	71,460	-	-	-	71,460	-	71,460
Net changes in fair value of financial assets	17	-	-	140,642	-	-	-	140,642	-	140,642
Opening retained earnings difference		-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests										
Acquisition of NCI		-	-	-	-	-	(1,258)	(1,258)	(10,126)	(11,384)
Transactions with Equity holders										
Dividend accruing to UPDC		-	-	-	-	-	-	-	4,901	4,901
Dividends	30	-	-	-	-	-	(288,130)	(288,130)	(141,130)	(429,260)
Rights issue cost		(380,299)	-	-	-	-	-	(380,299)	-	(380,299)
Transactions with NCI										
Disposal of shareholdings in subsidiaries		-	-	-	-	-	(85,797)	(85,797)	744,863	659,066
Additional investment by NCI		-	-	-	-	-	-	-	39,200	39,200
Right issue of UPDC subscribed		-	-	-	-	-	-	-	204,961	204,961
Elimination of NCI after disposal of subsidiaries	37	-	-	-	-	-	-	-	(3,992,971)	(3,992,971)
Profit on disposal of First Choice Facility Management		-	-	-	-	-	435,937	435,937	28,567	464,505
Acquisition of shares in First Choice Facility Management		-	-	-	-	-	-	-	112,996	112,996
Total equity as at 31 December 2020	1,440,648	18,071,545	69,571	239,872	91,923		32,092,148	52,005,707	8,669,797	60,675,504

UAC of Nigeria PLC
Audited Consolidated and Separate Statements of Changes in Equity
for the year ended 31 December 2021

		The Company					
		Attributable to owners of the Company					
		Share Capital N'000	Share Premium N'000	Fair value reserve N'000	Share based reserve N'000	Retained Earnings N'000	TOTAL N'000
Balance at 1 January 2021		1,440,648	18,509,120	168,412		16,561,809	36,679,989
Profit for the year		-	-	-		2,344,624	2,344,624
Net changes in fair value of financial assets	17	-	-	40,000		-	40,000
Tax on other comprehensive income				(4,000)			(4,000)
Transactions with Equity holders						(3)	
Share based benefit					98,931		98,931
Unbundling of UPDC REIT units	37(b)	-	(3,896,939)	-		-	(3,896,939)
Dividends declared		-	-	-		(3,457,556)	(3,457,556)
Balance at 31 December 2021		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047
Balance at 1 January 2020		1,440,648	18,509,120	27,770		19,793,893	39,771,431
Impact of restatement of comparative information		-	-	-		(434,367)	(434,367)
Restated balance at 1 January 2020		1,440,648	18,509,120	27,770		19,359,526	39,337,064
Loss for the year		-	-	-		(2,509,588)	(2,509,588)
Net changes in fair value of financial assets	17	-	-	159,354		-	159,354
Tax on other comprehensive income				(18,712)			(18,712)
Transactions with Equity holders							
Dividends declared	30	-	-	-		(288,130)	(288,130)
Balance at 31 December 2020		1,440,648	18,509,120	168,412		16,561,809	36,679,989

UAC of Nigeria PLC
Consolidated and Separate Statements of Cash Flows
for the year ended 31 December 2021

		The Group		The Company	
		31 Dec 21	Restated 31 Dec 20	31 Dec 21	Restated 31 Dec 20
	Notes	N' 000	N'000	N' 000	N' 000
Cash flows from operating activities					
Cash generated from/(used in) operations	34	(14,246,948)	3,066,161	(5,140,830)	(2,014,234)
Corporate tax paid	10	(1,278,099)	(1,724,384)	(1,978)	(236,000)
Net cash flows generated from/(used in) operating activities		(15,525,047)	1,341,777	(5,142,808)	(2,250,234)
Cash flows from investing activities					
Purchase of intangible assets	14	(145,768)	(8,729)	-	(2,710)
Purchase of property, plant and equipment	13	(3,466,328)	(4,495,865)	(215,376)	(360,504)
Proceeds from sale of property, plant and equipment		64,427	119,219	595	36,078
Proceeds on disposal of non-current asset held for sale		166,842	-	-	-
Purchase of equity instrument at fair value through other comprehensive income	18	(221,850)	-	(221,850)	
Purchase of UPDC REIT units for unbundling to shareholders	37(b)	(554)		(554)	
Purchase of investment properties	15	-	(393)	-	(393)
Proceeds from disposal of subsidiaries	36	-	4,556,855	-	7,457,068
Lease prepayment		(25,825)	(81,901)		
Investment in debt securities	19	(1,884,979)	-	(1,884,979)	-
Proceeds from maturity of debt instruments		1,984,273		1,984,273	
Dividend received	6	258,631	14,576	1,429,467	349,695
Interest received		1,132,429	1,102,262	929,030	1,486,005
Share issue expenses		(5,476)	-	-	-
Acquisition of additional interest in subsidiaries	16	-	-	(3,920,000)	(52,184)
Net cash flows generated from/(used in) investing activities		(2,144,178)	1,206,024	(1,899,394)	8,913,055
Cash flows from financing activities					
Dividends paid to non-controlling interests	30	(936,328)	(130,404)	-	-
Dividends paid to Company shareholders	30	(3,457,556)	(288,130)	(3,457,556)	(288,130)
Proceeds from borrowings	25	46,108,128	5,941,270	-	-
Dividend refund	30	(132,985)	566,456	(3,817)	293,831
Rights issue expenses		-	(380,299)	-	-
Repayment of borrowings	25	(30,957,284)	(7,926,033)	-	-
Interest paid on loans	25	(1,099,038)	(315,532)	-	-
Repayment of lease liability principal	21	(539,009)	(387,350)	-	-
Interest paid on lease liability	21	-	(74,259)	-	-
Proceeds from disposal of shares		-	577,500	-	-
Acquisition of additional interest in subsidiaries	16	(4,208,458)	(11,384)	-	-
Proceeds of capital injection by non-controlling interest		-	244,161	-	-
Net cash flows (used in)/generated from financing activities		4,777,470	(2,184,004)	(3,461,373)	5,701
Cash & cash equivalents at the beginning of the year		24,302,566	23,938,769	14,808,319	8,173,798
Net increase/(decrease) in cash & cash equivalents		(12,891,755)	363,797	(10,503,575)	6,634,521
Cash & cash equivalents at the end of the year	24	11,410,811	24,302,566	4,304,744	14,808,319

1 Corporate Information

The consolidated and separate financial statements of UAC of Nigeria PLC (the "Company") and its subsidiaries (collectively, the Group") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 29th March 2022.

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

The Group is a diversified business with activities in the following principal sectors: Animal Feeds and Other Edibles, Paints, Packaged Food and Beverages, and Quick Service Restaurants. The Company also has interests in Logistics, and Real Estate sectors (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, equity financial assets and equity settled share based payment expenses 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 following amendments became effective, however, these amendments did not have any impact on the Group and Company's financial statements.

- i. Impact of the initial application of Interest Rate Benchmark Reform.
- ii. Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16.

b New standard, amendments and interpretations not yet effective

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- i) A change in accounting estimate that results from new information or new developments is not the correction of an error.
- ii) The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- i) A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- ii) The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2.3 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Company has direct or indirect 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.

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

In the separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses.

Business combinations

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.

Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

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.

Investment in Associates and Joint Ventures

Associates are all entities over which the Group and Company have significant influence but not control, generally the Group/Company has shareholding of between 20% and 50% of the voting rights in associate companies. In the consolidated financial statements, 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 consolidated 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.

In the separate financial statements of the Company, investments in associates are measured at cost.

2.4 Segment reporting

An operating segment is a distinguishable component of the Group and Company that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

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.

The Group and Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group's internal reporting structure.

Segment results that are reported to the Company's Executive Management Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

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 and separate financial statements are presented in Naira (N), which is the Group and Company'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, cash and cash equivalents and investment in debt securities 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)".

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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

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. 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.

The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets. Items of property, plant and equipment under construction are disclosed as capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 hold land and buildings	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

The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly. 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.

The carrying amount of 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 recognised within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income, when the asset is derecognised.

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 2.8 for further detail).

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 acquired separately

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.

(i) 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 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 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 and 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), or 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 (debt instruments) 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 Company's and Group's financial assets at amortised cost includes trade and other receivables (excluding advance payments, WHT receivables and prepayments), finance lease receivables, debt instrument at amortised cost and cash and cash equivalents.

Trade and other receivables (excluding advance payments, WHT receivables and prepayments), are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. For short term trade and other receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

The Group and Company considers all highly liquid unrestricted investments with less than nine months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's and Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and included in borrowings within current liabilities in the statement of financial position. Term deposit with tenor of 270 days or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes.

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.

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

The Group and Company 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

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).

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and Company's core operations.

Irrespective of the outcome of the above assessment, the Group and Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group and Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group and Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group and Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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

For trade receivables, finance lease receivables and contract assets, the Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group and Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and Company 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.

For cash and cash equivalent and other financial assets that applies a general approach in calculating the ECLs, the Group and Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

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

The Company's and Group's financial liabilities at amortised cost includes interest-bearing loans and borrowings, trade and other payables (excluding statutory deductions such as non-income taxes in respect of WHT, VAT and PAYE), lease liability and dividend payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (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.

Borrowings

Interest-bearing bank loans and overdrafts are initially recognised 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.

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.

Trade and other payables

Trade and other payables (excluding statutory deductions such as non-income taxes in respect of WHT, VAT and PAYE) are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

Derecognition of financial liabilities

The Group and Company derecognises financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 cash generating unit (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 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.

2.12 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods or services. They are recognized when the Group and Company expects to receive future economic benefits equivalent to the value of the prepayment. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.13 Provisions and contingencies

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.

Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.14 Capital and other reserves

Ordinary share capital

The Company has two classes of shares, ordinary and preference shares. These shares are classified as equity.

When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

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.

Share premium

When the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issued are deducted from share premium account, net of any related income tax benefits.

Fair value reserve

Fair value reserve comprises the cumulative net change in fair value of financial assets measured at fair value through Other Comprehensive Income until they are derecognised

Contingency reserves

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).

Other reserves

Other reserve relates to the cumulative net change in the fair value of property, plant and equipment prior to the adoption of IFRS. On adoption of IFRS, the cost and revaluation surplus was taken as deemed cost and no subsequent revaluations are required.

Retained earnings

Retained earnings represents the Group's and Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as deficit or accumulated deficit.

2.15 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.

2.16 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) Statutory 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) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefits comprise wages, salaries, allowances, and other benefits for all employees. The Group and Company also operates a profit sharing and bonus plan where staff are remunerated based on parameters determined by the Board in respect of the Group's and Company's operating performance for the year. Bonus payments are at the discretion of the Board and the expense is recognised in the year the bonus relates to. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

(c) Long service awards scheme

The Group operates a long service award scheme for certain qualifying employees. The benefits accrue to qualifying employees based on graduated periods of uninterrupted service over the service life of the employees. The benefits are gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

(d) Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(e) Share based payment scheme

A share-based payment transaction is one where an entity receives goods or services from the supplier of those goods and services (including an employee) in exchange for:

- (a) cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity (cash settled share-based payments); or
- (b) equity instruments (including shares or share options) of the entity or another group entity (equity-settled share-based payment)

As part of their remuneration package, eligible employees of the Company receive share-based payments, whereby employees render services as consideration for equity instruments of the Company (equity-settled transactions).

The fair value of the services received from eligible employees, and the corresponding increase in equity is measured by reference to the fair value of the equity instrument granted. The fair value of the equity instruments granted is measured, at the grant date, at the market price of the Company's shares, adjusted to consider the terms and conditions upon which the shares were granted. Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, are considered when estimating the fair value of the equity instruments granted. Non-market vesting conditions are not considered when estimating the fair value of the shares at the measurement date. Instead, non-market vesting conditions, are considered by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The fair value is recognized as an expense, together with a corresponding increase in equity, over the period in which the services are received and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has elapsed and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No subsequent adjustment is made to total equity after the vesting date.

2.17 Revenue recognition

Revenue from contracts with customers

The Group is involved in the manufacture and sale of paint, foods and beverages, as well as agricultural business relating to the manufacture and marketing of animal feeds and concentrates, managing quick service restaurants through its company owned stores and 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 expects 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.

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 Group 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

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 month 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 60 days for bottled water.

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 food and beverages, the Group 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.

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 services based on Franchise agreement

The sale-based franchise fees (royalties) are recognized 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 recognized 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

• Refund assets

Refund assets represent 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 staff are located in the colour centres/shops that belong 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

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 elected 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 the customer achieves and 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 customers transport their goods themselves. 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 results 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 recognises 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.

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 of the paint. The Group assesses when control is transferred 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 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 of 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 of 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 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 for measuring progress of 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.

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.

2.18

Lease

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and building 2 to 45 years
- Plant and machinery 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 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. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. The liability is extinguished when the cash dividend is transferred to the registrar for onward remittance to the shareholders. Interim dividends are recognised once paid.

Dividend payable represents unclaimed dividend less deposits with the company registrars that relate to dividends not older than 15 months which are required to be held by the company registrars in line with SEC guidelines.

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 within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income.

2.20 Government grants

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.

Government grants are recognized within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income on a systematic basis over the periods in which the Group and Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

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.

2.21 Fair value measurement

The Group measures non-financial assets such as investment properties at fair value at each reporting date. Equity instruments measured at fair value through other comprehensive income 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, permanent 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 December 2021				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt securities (Net)	-	2,296,986	-	-	2,296,986
Trade receivables (Net)	969,915	133,780	-	-	1,103,695
Other receivables (Net)	2,706,101	-	-	-	2,706,101
Cash and short-term deposits (Net)	8,920,427	2,447,490	41,860	169	11,409,945
	12,596,443	2,581,270	41,860	169	15,219,741
Financial liabilities					
Long term borrowings	339,723	-	-	-	339,723
Short term borrowings	19,570,826	996	68	-	19,571,889
Trade payables	3,185,881	38	-	2,635,294	5,821,213
	23,096,430	1,034	68	2,635,294	25,732,825

GROUP	31 December 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
Other receivables (Net)	1,156,649	-	-	-	1,156,649
Cash and short-term deposits	23,393,862	854,082	24,251	119	24,272,314
	27,159,718	945,872	24,251	119	28,129,960
Financial liabilities					
Long term borrowings	1,735,284	-	-	-	1,735,284
Short term borrowings	2,503,673	-	-	-	2,503,673
Trade payables	4,022,451	59,298	-	-	4,081,749
	8,261,408	59,298	-	-	8,320,706

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Financial risk factors continued

	GROUP	
	31-Dec-21	31-Dec-20
	N'000	N'000
The total impact on profit if Naira was to depreciate by 10%/(5%) across currencies would be as follows:	262,226	91,094
The total impact on profit if Naira was to appreciate by 10%/(5%) across currencies would be as follows:	(262,226)	(91,094)

Management considers a 10% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets.

COMPANY

	31 December 2021				
	Naira	USD	GBP	Others	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Debt at amortised cost		2,296,986	-	-	2,296,986
Cash and short-term deposits	4,081,105	220,651	2,122	-	4,303,878
Intercompany receivables	4,960,566				4,960,566
	9,041,671	2,517,637	2,122	-	11,561,430

	31 December 2020				
	Naira	USD	GBP	Others	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Debt at amortised 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	2,242,131	2,018	-	16,998,582

	COMPANY	
	31-Dec-21	31-Dec-20
	N'000	N'000
The total impact on profit if Naira was to depreciate by (10%)/5% across currencies would be as follows:	251,873	(114,787)
The total impact on profit if Naira was to appreciate by (10%)/5% across currencies would be as follows:	(251,873)	114,787

Management considers a 10% 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 comprehensive income was to appreciate/depreciate by 10% will be +/- N 22.813million (2020: 18.813million).

(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 short term borrowings (2020: 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-21	31-Dec-20
	N'000	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:	874,434	86,764
The total impact on profit or loss and equity if interest rates were to increase by 500 basis points would be as follows:	(874,434)	(86,764)

(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 model 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:

	Trade receivables					
	Days past due					Total
	Current	<90 days	90–180 days	180–360 days	>360 days	
31-Dec-21	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	10.13%	23.39%	75.35%	69.13%	98.23%	
Estimated total gross						
Carrying amount at default	839,715	408,702	40,153	57,118	474,142	1,819,830
Expected credit loss	85,056	95,575	30,256	39,488	465,762	716,136
31-Dec-20						
Expected credit loss rate	1.70%	21.45%	41.50%	55.90%	100.00%	
Estimated total gross						
Carrying amount at default	2440386	223950	107696	143290	976706	3,892,028
Expected credit loss	41,491	48,035	44,699	80,100	976,706	1,191,031

Set out below is the movement in the allowance for expected credit losses of trade receivables:

In thousands of Naira	2021	2020
Balance as at 1 January	1,191,031	1,230,771
Reversal of allowance for receivables impairment	-	(522)
Allowance for receivables impairment	100,628	78,269
Amount written off	(575,523)	(117,487)
Assets held for sale	-	-
Balance at 31 December	716,136	1,191,031

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 receivables. 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 probability of default (PD), loss given default (LGD) and exposure at default (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.

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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 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, Nigeria Bureau of Statistics, Trading economics.com, Standards and Poor's and IMF.) 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 2020 and 31 December 2021.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations.

Key drivers	Assigned Probabilities	ECL Scenario	31-Dec-21		
			Group/Company		
			2021	2022	2023
Oil Price	10%	Upturn	69	68	65
	81%	Base	67	65	63
	9%	Downturn	64	62	59
Unemployment rate %	10%	Upturn	31	30	29
	81%	Base	32	31	30
	9%	Downturn	33	32	31
Inflation rate %	10%	Upturn	12	6	5
	81%	Base	13	7	7
	9%	Downturn	18	12	12

Key drivers	Assigned Probabilities	ECL Scenario	31 December 2020		
			Group/Company		
			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

The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-21	Short-term deposits	Group Debt instrument at amortised cost (Note 19)	Total	Short-term deposits	Company Intercompany & related party receivables	Company Debt instrument at amortised cost (Note 19)	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Upside (10%)	87	732	818	87	2,062	732	2,880
Base (81%)	701	5,926	6,628	701	16,701	5,926	23,329
Downturn (9%)	78	658	736	78	1,855	658	2,591
Total	866	7,316	8,182	866	20,618	7,316	28,800

31-Dec-20	Short-term deposits	Group Debt instrument at amortised cost (Note 19)	Total	Short-term deposits	Company Intercompany receivables	Company Debt instrument at amortised cost (Note 19)	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Upside (10%)	3,025	2,958	5,983	427	2,813	2,958	6,198
Base (80%)	24,504	24,911	49,415	3,648	23,698	24,911	52,257
Downturn (10%)	2,723	3,201	5,924	479	3,046	3,201	6,726
Total	30,252	31,070	61,322	4,554	29,557	31,070	65,181

(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. 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.

GROUP						
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
At 31 December 2021						
Borrowings	6,170	5,459,970	14,105,749	391,624	-	19,963,513
Lease liabilities	328,608	1,307	76,352	180,124	73,136	659,527
Trade and other payables	2,491,792	6,287,015	2,100,308	-	-	10,879,115
Dividend payable	5,193,036	-	-	-	-	5,193,036
	8,019,606	11,748,292	16,282,409	571,748	73,136	36,695,190

GROUP						
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
At 31 December 2020						
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
Dividend payable	6,084,307	-	-	-	-	6,084,307
	6,796,602	10,154,783	1,179,606	2,273,672	-	20,404,663

COMPANY						
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
At 31 December 2021						
Dividend payable	4,692,259	-	-	-	-	4,692,259
Other payables	-	970,810	-	-	-	970,810
	4,692,259	970,810	-	-	-	5,663,069
At 31 December 2020						
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

*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 threshold of 0.6 times.

	31-Dec-21	31-Dec-20
Interest bearing debt	19,911,612	4,238,957
Total equity	50,838,306	61,371,865
Total capital	70,749,918	65,610,822

Gearing ratio (%) 39 7

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 41 provides the fair value measurement hierarchy of the Group's assets and liabilities for the year ended 31 December 2021.

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 41.

Significant unobservable valuation input:

Price per square metre

N1,822.5 - N163,472.04

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 41.

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 2021 was assessed to be insignificant.

The following table presents the Group's financial assets and liabilities showing the carrying amount and the fair value:

	31-Dec-21		31-Dec-20	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Equity held at fair value through OCI	449,975	449,975	188,125	188,125
	449,975	449,975	188,125	188,125
Liabilities				
Bank overdrafts and current portion of borrowings	339,723	339,723	1,735,284	1,735,284
Long term borrowings	19,571,889	19,571,889	2,503,673	2,503,673
	19,911,612	19,911,612	4,238,957	4,238,957

4 Significant judgements, estimates and assumptions

4.1 Significant judgements, 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 of non-financial assets

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 or 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 occurred, 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.

(g) Measurement of the expected credit loss allowance for other financial assets

The measurement of the expected credit loss allowance for other financial assets measured at amortised cost (e.g. cash and cash equivalents, debt instruments measured at amortised cost and 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.

(h) 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.

(i) 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.

(j) 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).

(k) 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.

(l) 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.

(m) 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.

(n) 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.

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

	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Logistics	Real Estate	Others	Total
31 December 2021	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contracts with customers	62,711,052	15,354,726	23,750,689	2,208,183	-	-	648,951	104,673,601
Rental income	-	-	-	-	-	-	228,506	228,506
Total Revenue	62,711,052	15,354,726	23,750,689	2,208,183	-	-	877,457	104,902,107
Intergroup revenue	(2,759,561)	(6,137)	(116,634)	-	-	-	(642,937)	(3,525,268)
Revenue to third parties	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
Operating profit/(loss)	2,540,586	1,439,969	1,393,135	(525,234)	-	-	73,404	4,921,860
Profit/(loss) before tax	1,195,381	1,693,274	1,452,383	(508,893)	-	-	276,228	4,108,373
Loss after tax for the year from discontinued operations	-	-	-	-	-	-	(2,105)	(2,105)
Property, plant and equipment	12,631,759	1,791,844	6,466,742	400,536	-	-	932,783	22,223,664
Net assets	18,075,020	4,409,774	8,410,077	-156,548	-	-	20,099,983	50,838,306

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	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Logistics	Real Estate	Others	Total
31 December 2020	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contract with customers	54,223,556	10,425,485	17,853,406	1,527,878	-	-	527,259	84,557,584
Rental income	-	-	-	-	-	-	238,946	238,946
Total Revenue	54,223,556	10,425,485	17,853,406	1,527,878	-	-	766,205	84,796,530
Intergroup revenue	(2,748,231)	(96,964)	(49,128)	-	-	-	(544,247)	(3,438,570)
Revenue to third parties	51,475,325	10,328,521	17,804,278	1,527,878	-	-	221,958	81,357,960
Operating profit/(loss)	2,048,877	1,248,480	1,352,521	(47,613)	-	-	(1,327,882)	3,274,383
Profit / (Loss) before tax	1,711,589	1,469,746	1,377,278	(57,115)	-	-	583,483	5,084,981
Profit / (Loss) after tax for the year from discontinued operations	-	-	-	-	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	-	-	888,144	21,011,834
Net assets	17,997,014	5,013,721	7,439,756	357,867	-	-	29,867,146	60,675,504

Entity wide information

	31 Dec 21 N'000	31 Dec 20 N'000
Analysis of revenue by category:		
Revenue from contracts with customers	101,137,893	81,119,014
Rental income	238,946	238,946
	101,376,839	81,357,960
Analysis of revenue by geographical location:		
Nigeria	101,376,839	81,357,960
Others	-	-
	101,376,839	81,357,960

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%.

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Disaggregated Revenue
Group

Segments	For the year ended 31 December 2021							Total
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Logistics	Real Estate	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Revenue from contracts with customers								
Sale of goods	59,951,491	15,348,589	23,634,055	2,208,183	-	-	-	101,142,319
Rendering of service	-	-	-	-	-	-	234,520	234,520
Total	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
	=====	=====	=====	=====	=====	=====	=====	=====
Geographical Markets								
Nigeria	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
Outside Nigeria	-	-	-	-	-	-	-	-
Total	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
	=====	=====	=====	=====	=====	=====	=====	=====
Timing of revenue								
Goods transferred at a point in time	59,951,491	15,348,589	23,634,055	2,208,183	-	-	-	101,142,319
Services transferred over time	-	-	-	-	-	-	234,520	234,520
	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
	=====	=====	=====	=====	=====	=====	=====	=====

Disaggregated Revenue
Group

Segments	For the year ended 31 December 2020							Total
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Logistics	Real Estate	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Revenue from contracts with customers								
Sale of goods	51,475,325	10,328,521	17,804,278	1,527,878	-	-	-	81,136,002
Rendering of service	-	-	-	-	-	-	221,958	221,958
Total	51,475,325	10,328,521	17,804,278	1,527,878	-	-	221,958	81,357,960
	=====	=====	=====	=====	=====	=====	=====	=====
Geographical Markets								
Nigeria	51,475,325	10,328,521	17,804,278	1,527,878	-	-	221,958	81,357,960
Outside Nigeria	-	-	-	-	-	-	-	-
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	-	-	-	81,136,002
Services transferred over time	-	-	-	-	-	-	221,958	221,958
	51,475,325	10,328,521	17,804,278	1,527,878	-	-	221,958	81,357,960
	=====	=====	=====	=====	=====	=====	=====	=====

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6 Dividend income	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
Dividend income from subsidiaries	-	-	1,300,930	340,020
Dividend income from third parties	260,093	9,675	260,093	9,675
Total dividend income	260,093	9,675	1,561,023	349,695

7i Other operating income/(loss)	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
(Loss)/Profit on sales of Property, Plant and Equipment	(32,009)	2,205	(32,129)	3,080
Fair value gain on unbundling UPDC REIT(Note 37b)	324,725	-	324,725	-
Rental income (a)	-	12,473	-	-
Net fair value gain on investment properties (Note 15)	1,139,398	234,270	1,139,398	234,270
Profit on disposal of asset held for sale	160,068	-	-	-
Profit on disposal of subsidiary	-	-	-	574,442
Government grant (Note 28)	-	66,355	-	-
Fair value loss on investment in UPDC	-	-	-	(2,800,269)
Write back of statute barred unclaimed dividend (Note 30)	-	10,677	-	10,677
Loss on disposal of shares	-	-	-	(710,900)
Other income (b)	483,967	526,015	154,790	77,595
Total other operating income/(loss)	2,076,149	851,995	1,586,784	(2,611,105)

(a) Rental Income

Rental income represents income earned on investment properties at Chemical and Allied Products PLC and UAC Foods Limited.

(b) Other income

Other income comprises:

	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
Management fees	109,568	67,603	-	-
Sale of scrap, used bags and by products	361,702	76,077	-	-
Board fees	-	-	26,787	2,267
Recharged costs	-	-	127,779	75,328
Other trading income	12,696	382,334	-	-
	483,967	526,014	154,566	77,595

7ii (Impairment loss)/writeback on financial assets	The Group		The Company	
	31 Dec 21 N'000	31 Dec 20 N'000	31 Dec 21 N'000	31 Dec 20 N'000
Write back/(impairment loss) on related party receivables (Note 23)	12,439	(29,071)	8,939	29,071
Write back/(impairment loss) on other receivables	19,100	(78,269)	(10,296)	79,714
Writeback/(impairment loss) on debt securites (Note 19)	23,754	(7,759)	23,754	7,759
Write back of impairment loss on cash and cash equivalents	29,384	17,382	3,686	43,080
Write back/(impairment loss) on trade receivables (Note 23)	(100,627)	(22,770)	-	-
Total (impairment loss)/writeback on financial assets	(15,950)	(120,487)	26,083	159,624

8 (a) Expenses by Nature

	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
Raw materials consumed and changes in finished goods and work in progress	73,238,367	56,128,392	-	-
Write off of inventories to net realisable value	140,162	94,878	-	-
Personnel expenses (e)	9,632,401	8,450,582	1,405,502	1,174,651
Depreciation charge on property, plant and equipment	2,138,969	2,021,109	136,348	138,466
Depreciation charge on right-of-use asset	368,215	471,191	-	-
Amortisation of intangibles	33,208	53,110	3,144	2,879
Royalty fees	461,607	324,399	-	-
Rents & rates	270,807	350,084	32,161	18,265
Electricity & power	2,557,900	2,192,780	13,562	46,553
Vehicles repairs, maintenance & fueling	411,737	375,885	3,553	7,039
Other repairs & maintenance	1,159,895	1,018,121	34,674	43,687
Auditors' remuneration	132,005	129,979	26,579	26,528
Information technology charge	441,607	265,685	75,422	66,577
Legal and professional expenses	982,488	887,342	528,042	404,476
Donations & subscriptions	223,716	256,453	132,223	173,075
Insurance	244,357	207,195	20,075	14,374

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8 (a) Expenses by Nature cont'd

	The Group		The Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N' 000	N' 000	N' 000	N' 000
Distribution expenses	2,864,086	2,724,496	-	-
Marketing, Advertising & Communication	1,044,935	921,673	12,529	14,754
Hire of equipment	122,188	147,842	-	-
Catering expenses	249,493	178,830	5,921	7,602
Cleaning, laundry & sanitation	177,947	149,031	2,495	2,442
Levies, licenses & permit	83,501	37,609	-	-
Security	259,634	207,980	9,717	8,164
Travelling expenses	304,191	300,887	34,611	83,929
AGM expenses	64,526	57,263	21,374	30,831
Bank charges	81,169	208,386	7,740	8,630
Amortisation of Premium on Eurobond	92,056	104,419	92,056	104,419
Stationery and printing	98,899	158,861	5,605	20,924
Uniform and safety kit	28,845	21,161	90	89
Casual wages	-	37,577	-	-
Training and recruitment expenses	33,774	25,535	30,759	21,559
Project expense	79,241	51,395	-	-
Entertainment expense	36,732	24,300	-	-
Corporate gifts	107,476	64,484	11,777	-
Provision for VAT and WHT receivables(c)	303,872	-	9,728	-
Sundry office expenses (d)	305,265	175,845	6,674	41,995
	98,775,271	78,824,760	2,662,361	2,461,908

8 (b) Expenses by Function

Analysed as:

Cost of sales	83,837,291	65,367,532	-	-
Selling and distribution expenses	6,345,986	5,776,661	-	-
Administrative expenses	8,591,994	7,680,567	2,662,361	2,461,908
	98,775,271	78,824,760	2,662,361	2,461,908

8 (c) Provision for VAT and WHT receivables

Included in provision for VAT and WHT receivables for the group is N62,961,000 which relates to the impairment of WHT receivables at Portland Paints & Products Nigeria PLC (PPNP) prior to the merger with Chemical and Allied Products PLC, based on the directive received from FIRS that the unutilised WHT credit notes in PPPNP cannot be used by the enlarged post-merger CAP to settle its pre or post merger tax liability.

8 (d) Sundry office expenses

Sundry office expenses comprises of the following:

VAT on commercial service fees	47,336	28,991	-	-
Other miscellaneous expenses	257,929	146,854	6,674	41,995
	305,265	175,845	6,674	41,995

8 (e) Personnel expenses

Personnel expenses include:

Wages, salaries and other short term benefits for staff, managers and executive directors	8,540,487	7,541,104	978,998	891,603
Directors' emoluments	784,957	632,231	289,278	240,514
Defined contribution plans	306,957	277,247	38,295	42,534
Share based benefits (Note 33)	98,931	-	98,931	-
	9,632,401	8,450,582	1,405,502	1,174,651

8 (f) 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 Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
Costs				
Key management personnel:				
Wages, salaries and other short term benefits	876,185	802,402	279,106	328,336
Directors' emoluments				
- Executive Directors	489,579	376,944	189,834	146,992
- Non-Executive Directors	295,378	255,287	99,444	93,522
	784,957	632,231	289,278	240,514
Post employment benefits:				
- Defined contribution plans	31,668	25,397	11,536	13,254
Total for non executive directors and key management personnel	1,692,809	1,460,030	579,920	582,104
Other management personnel	4,434,683	2,733,451	330,384	178,352
Staff	3,405,978	4,257,101	396,267	414,195
Share based benefits - Long Term Incentive Plan (Note 33)	98,931	-	98,931	-
Total	9,632,401	8,450,582	1,405,502	1,174,651

	The Group		The company	
	2021 Number	2020 Number	2021 Number	2020 Number
Numbers				
Key management personnel	16	27	3	3
Other management personnel	550	529	13	5
Staff	903	840	24	27
Total	1,469	1,396	40	35
	N' 000	N' 000	N' 000	N' 000
Average cost per staff	6,557	6,053	35,138	33,561

- (II) The table below shows the number of employees (excluding non executive directors), who earned over N300,000 as emoluments in the year and were within the bands stated.

N	The Group		The Company	
	2021 Number	2020 Number	2021 Number	2020 Number
300,001 - 500,000	-	4	-	-
500,001 - 700,000	2	28	-	-
700,001 - 900,000	6	78	-	1
900,001 - 1,100,000	112	160	-	1
1,100,001 - 1,300,000	138	137	1	2
1,300,001 - 1,500,000	99	156	1	-
1,500,001 and Above	1,112	833	38	31
	1,469	1,396	40	35

	The Company	
	2021 N' 000	2020 N' 000
(iii) Emoluments of directors		
Fees	16,183	5,750
Other emoluments	273,095	234,764
	289,278	240,514

(iv) The Chairman's emolument.	20,762	19,630
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(v) Emolument of the highest paid Director.	95,987	78,504
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- (vi) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

N	The Company	
	2021 Number	2020 Number
100,001 - 15,000,000	6	6
15,000,001 and above	4	4

9. Net finance income

	The Group		The Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N' 000	N' 000	N' 000	N' 000
Interest income on short-term bank deposits	906,911	1,052,050	703,512	1,435,793
Interest income on eurobonds	301,180	-	301,180	-
Interest income on finance lease assets	3,300	-	-	-
Total interest income	1,211,391	1,052,050	1,004,692	1,435,793
Exchange gain	346,528	287,062	93,568	307,777
Interest income on finance lease assets	-	-	-	-
Finance Income	1,557,919	1,339,112	1,098,260	1,743,570
Interest expense on bank loans - Note 25	(1,353,466)	(376,363)	-	-
Interest expense on lease liability - Note 21	(122,504)	(124,497)	-	-
Unwinding of discount (Note 31)	-	(970)	-	-
Finance Costs	(1,475,970)	(501,830)	-	-
Net finance income	81,949	837,282	1,098,260	1,743,570

Analysis of interest income

	The Group		The Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N' 000	N' 000	N' 000	N' 000
Interest of fixed deposit	443,464	775,434	255,737	365,337
Interest on related party loans	203,471	-	258,995	793,840
Interest on treasury bills	319	62,095	-	62,095
Interest on call deposit	45,442	3,030	13,155	3,030
Interest on current account	40,298	10,976	1,708	10,976
Interest on commercial paper	173,917	97,933	173,917	97,933
Coupon on bond	301,180	102,582	301,180	102,582
Interest on finance lease assets	3,300	-	-	-
Interest income	1,211,391	1,052,050	1,004,692	1,435,793

10. Taxation

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	Restated N'000
Current tax				
Nigeria corporation tax charge for the year	1,050,666	1,233,803	10,987	-
Education tax	157,913	148,019	2,672	647
Capital gains tax	15,678	7	-	-
Trust Levy	344	195	124	-
Withholding tax on dividend income	131,555	-	131,555	34,002
Minimum Tax	-	5,716	-	1,896
Prior year over provision	(15,567)	-	-	-
Total current tax charge	1,340,590	1,387,740	145,338	36,545
Deferred tax				
Temporary differences, origination and reversal (note (26))	178,625	308,843	(2,716)	411,366
Total deferred tax	178,625	308,843	(2,716)	411,366
Income tax expense	1,519,214	1,696,583	142,622	447,911

Nigeria corporation tax is calculated at 30% (2021: 30%) of the taxable profit for the period and education tax is calculated at 2.5% (2020: 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	
	2021	2020	2021	2020
	N'000	N'000	N'000	Restated N'000
Profit/(loss) before tax (A)	4,108,373	5,084,981	2,487,246	(2,061,677)
Tax at the Nigeria corporation tax rate of 30% (2020: 30%)	1,232,512	1,570,256	746,174	(618,503)
Education tax	157,912	148,019	2,672	647
Capital gains tax	-	7	-	-
Tax effect of disallowable expenses	235,994	1,305,255	-	1,108,628
Tax effect of Exempt income	(50,655)	(708,302)	(533,071)	(324,176)
Trust levy	283	195	124	-
Impact of difference in tax rate	(139,326)	-	(125,935)	-
Tax incentives	(4,330)	-	-	-
Previously unrecognised deferred tax	(43,995)	(472,131)	(78,162)	249,633
Effect of unrecognised tax credit	-	(174,501)	-	-
Investment allowance	(736)	(4,216)	(736)	(4,216)
Withholding tax on dividend income	131,555	-	131,555	34,002
Minimum tax adjustment	-	32,001	-	1,896
Tax charge for the year (B)	1,519,214	1,696,583	142,622	447,911
Effective tax rate B/A	37%	33%	6%	-22%

	The Group			The Company		
	2021	2020	1 Jan 2020	2021	2020	1 Jan 2020
	N'000	N'000	Restated N'000	N'000	N'000	Restated N'000
Opening balance	3,814,160	4,510,936	6,327,649	2,480,618	2,984,185	2,655,269
Income tax expense	1,340,590	1,387,740	2,241,482	145,338	2,543	572,625
Write back of over-provision	-	-	(89,801)	-	-	8,610
Withholding tax credit notes utilised	(149,955)	(360,132)	(188,845)	(133,451)	(270,110)	-
Reclassified to Disposal group held for sale	-	-	(1,999,843)	-	-	-
Payment during the year	(1,278,099)	(1,724,384)	(1,779,706)	(1,978)	(236,000)	(252,319)
	3,726,695	3,814,160	4,510,936	2,490,527	2,480,618	2,984,185

11. Dividend

	The Company	
	2021	2020
	N'000	N' 000
Amounts recognised as distribution to ordinary shareholders in the year comprise:		
Dividend declared	3,457,556	288,130
Number of shares (000)	2,881,296	2,881,296
Dividends per share (kobo per share)	120	10

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 Group		The Company	
	2021	2020	2021	2020
	N' 000	Restated N' 000	N' 000	Restated N' 000
Profit attributable to ordinary equity shareholders:				
Profit/(loss) from continuing operations	1,808,731	1,997,309	2,344,624	(2,509,588)
Profit/(loss) from discontinued operations	(1,824)	594,502	-	-
Profit/(loss) for the period	1,806,907	2,591,811	2,344,624	(2,509,588)

Basic earnings per share

From continuing operations	63	69	81	(87)
From discontinued operations	(0)	21	-	-
From profit/(loss) for the period	63	90	81	(87)

	The Company	
	2021	2020
	Number	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.

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13. Property, plant and equipment

The Group

Cost:	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	8,791,199	19,276,739	1,228,370	2,422,286	871,501	588,125	33,178,221
Additions	57,820	991,108	135,383	971,891	61,668	2,277,996	4,495,865
Disposals	-	(260,770)	(6,441)	(312,180)	(5,649)	(2,966)	(588,006)
Transfer to assets held for sale	(223,222)	(362,267)	(10,329)	-	(7,710)	-	(603,528)
Reclassifications	6,861	276,379	-	14,255	1,712	(299,207)	-
At 31 December 2020	8,632,658	19,921,189	1,346,983	3,096,252	921,522	2,563,948	36,482,552
At 1 January 2021	8,632,658	19,921,189	1,346,983	3,096,252	921,522	2,563,948	36,482,552
Additions	230,142	782,384	134,811	589,546	90,335	1,639,110	3,466,328
Disposals	(126,565)	(103,780)	(32,118)	(253,547)	(20,765)	(6,813)	(543,588)
Transfer	29,102	486,345	4,664	-	408	(506,137)	14,382
Write off	-	(41,542)	(321,845)	-	(45,627)	-	(409,014)
Reclassification (a)	139,535	158,376	44,308	31,612	97,205	(505,666)	(34,630)
At 31 December 2021	8,904,872	21,202,972	1,176,803	3,463,863	1,043,078	3,184,442	38,976,030
Accumulated depreciation and impairment							
At 1 January 2020	1,887,895	9,345,714	1,002,984	1,349,184	660,859	12,000	14,258,637
Charge for the year	279,271	1,206,886	107,089	377,987	49,876	-	2,021,109
Disposals	-	(211,724)	(4,829)	(248,896)	(5,543)	-	(470,992)
Transfer to assets held for sale	(24,197)	(301,119)	(5,741)	-	(6,978)	-	(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
At 1 January 2021	2,142,969	10,039,757	1,099,503	1,478,275	698,214	12,000	15,470,718
Charge for the year	163,403	1,339,579	112,383	455,024	68,581	-	2,138,970
Impairment charge	-	-	-	-	-	-	-
Disposals (b)	(105,419)	(94,762)	(30,125)	(200,608)	(19,524)	-	(450,438)
Transfers	-	-	1,227	-	-	-	1,227
Write-off	-	(41,508)	(321,286)	-	(45,317)	-	(408,111)
At 31 December 2021	2,200,953	11,243,066	861,702	1,732,691	701,954	12,000	16,752,365
Net book values:							
At 31 December 2021	6,703,919	9,959,907	315,100	1,731,172	341,124	3,172,442	22,223,664
At 31 December 2020	6,489,686	9,881,437	247,480	1,617,976	223,308	2,551,948	21,011,834

(a) Reclassifications out of property, plant and equipment relate to the transfer of IT software from capital work in progress to intangible assets

(b) Included in disposals is the sum of N3,286,000 which relates to impairment charge on asset (Land) previously classified as held for sale which was not recognised as part of the carrying value of the asset. The profit on disposal has been computed on the carrying amount of the asset and has been disclosed in Notes 7 & 37.

(c) No impairment loss was recognised on property, plant and equipment

(d) No borrowing cost was capitalised during the year.

(e) The property, plant and equipment are not pledged as security by the Group.

UAC of Nigeria PLC
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13. Property, plant and equipment
The Company

Cost:	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	617,373	274,465	423,790	254,083	68,318	1,712	1,639,741
Additions	-	141,639	7,499	89,500	4,461	117,406	360,505
Disposals	-	(39,032)	(1,850)	(48,297)	-	-	(89,179)
Reclassifications	-	-	-	-	1,712	(1,712)	-
At 31 December 2020	617,373	377,072	429,438	295,286	74,491	117,406	1,911,067
At 1 January 2021	617,373	377,072	429,438	295,286	74,491	117,406	1,911,067
Additions	11,479	-	12,271	56,380	102	135,145	215,376
Disposals	-	-	(2,580)	(67,196)	-	-	(69,776)
Write Off	-	(41,542)	(321,845)	-	(45,627)	-	(409,013)
Reclassifications (a)	105,098	24,542	38,096	-	52,158	(220,658)	(764)
At 31 December 2021	733,950	360,072	155,380	284,470	81,124	31,892	1,646,890

Accumulated depreciation and impairment

At 1 January 2020	216,012	227,426	392,826	57,858	46,520	-	940,642
Charge for the year	16,504	27,984	18,208	65,585	10,185	-	138,466
Disposals	-	(34,411)	(944)	(20,830)	-	-	(56,185)
At 31 December 2020	232,516	220,999	410,090	102,613	56,705	-	1,022,923
At 1 January 2021	232,516	220,999	410,090	102,613	56,705	-	1,022,923
Charge for the year	12,576	36,754	13,250	60,626	13,142	-	136,348
Disposals	-	-	(1,046)	(36,006)	-	-	(37,052)
Write Off	-	(41,508)	(321,286)	-	(45,317)	-	(408,112)
At 31 December 2021	245,092	216,245	101,007	127,233	24,529	-	714,107

Net book values:

At 31 December 2021	488,858	143,827	54,372	157,237	56,595	31,892	932,783
At 31 December 2020	384,858	156,072	19,348	192,673	17,787	117,406	888,144

- (a) Reclassifications out of property, plant and equipment relate to the transfer of IT software from capital work in progress to intangible assets
(b) No impairment loss was recognised on property, plant and equipment
(c) No borrowing cost was capitalised during the year.
(d) The property, plant and equipment are not pledged as security by the Company.

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14. Intangible assets and goodwill

	Group					Company		
	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 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	-	-	8,729	-	8,729	2,710	-	2,710
Transfer	-	-	-	-	-	4,620	(4,620)	-
Reclassifications	-	-	-	-	-	-	-	-
At 31 December 2020	548,747	1,070,185	844,879	4,620	2,468,432	196,302	-	196,302
At 1 January 2021	548,747	1,070,185	844,879	4,620	2,468,432	196,302	-	196,302
Additions	-	-	3,709	142,059	145,768	-	-	-
Transfers	-	-	5,811	28,819	34,630	764	-	764
Reclassifications	-	-	(764)	-	(764)	(764)	-	(764)
At 31 December 2021	548,747	1,070,185	853,635	175,498	2,648,066	196,302	-	196,302
Accumulated amortisation and impairment								
At 1 January 2020	-	288,439	753,662	-	1,042,100	183,389	-	183,389
Amortisation for the year	-	-	53,109	-	53,109	2,879	-	2,879
At 31 December 2020	-	288,439	806,771	-	1,095,209	186,268	-	186,268
At 1 January 2021	-	288,439	806,771	-	1,095,209	186,268	-	186,268
Amortisation for the period	-	-	33,208	-	33,208	3,144	-	3,144
At 31 December 2021	-	288,439	839,979	-	1,128,417	189,412	-	189,412
Net book values								
At 31 December 2021	548,747	781,747	13,657	175,498	1,519,649	6,890	-	6,890
At 31 December 2020	548,747	781,747	38,109	4,620	1,373,223	10,034	-	10,034

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:

	Opening	Addition	Disposal	Impairment	Other Adjustments	Closing
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
2020						
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Portland Paints and Products Nigeria PLC	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747
	Opening	Addition	Disposal	Impairment	Other Adjustments	Closing
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
2021						
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Chemical and Allied Products PLC	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

Animal Feeds CGU under Livestock Feeds

Livestock Feeds Limited is the CGU in the Animal feeds segment with goodwill. The recoverable amount of the CGU was ₦4.7billion as at 31 December 2021 (2020: ₦5.2 billion). The recoverable amount was determined based on the fair value less cost of disposal of the Company which was obtained from the Nigerian Exchange Limited (NGX) and is categorised as level 1 in the fair value hierarchy (2020: Recoverable amount was 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). The fair value less cost of disposal exceeds the carrying value of the CGU of ₦2.4 billion, consequently no impairment was charged as at 31 December 2021 (2020: Nil).

Paints CGU under Chemical and Allied Products PLC (2020: Portland Paints and Products Nigeria PLC)

In July 2021, the merger between Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (PPNP) became effective with CAP emerging as the surviving entity, consequently CAP is now the CGU in the paints segment with goodwill (2020: PPNP). The recoverable amount of the CGU was ₦8.7billion as at 31 December 2021 (2020: ₦2.7 billion), determined based on a fair value less cost of disposal of the CAP which was obtained from the Nigerian Exchange Limited (NGX) and is categorised as level 1 in the fair value hierarchy (2020: recoverable amount was determined from 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). The fair value less cost of disposal exceeds the carrying amount of the CGU (N2.8billion), consequently no impairment was charged as at 31 December 2021 (2020: Nil).

Software

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.

Brands & Trade marks

The Group acquired trademark of ₦49 million through its business combination with Portland Paints. Portland Paints purchased the trademark from Blue Circle Industries Plc for the company's decorative paints' business. The intangible asset has been adjudged to have an indefinite life span. It was tested for impairment as at 31 December 2021 and no impairment was deemed required.

15. Investment property

Fair value	The Group			The Company		
	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000
At 1 January 2020	303,712	2,096,624	2,400,336	-	2,096,624	2,096,624
Additions during the year	-	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	303,712	2,331,287	2,634,999	-	2,331,287	2,331,287
At 1 January 2021	303,712	2,331,287	2,634,999	-	2,331,287	2,331,287
Reclassification to non-current asset held for sale (Note 37)	(303,712)	-	(303,712)	-	-	-
Net gain from fair value adjustments on investment property	-	1,139,398	1,139,398	-	1,139,398	1,139,398
At 31 December 2021	-	3,470,685	3,470,685	-	3,470,685	3,470,685

Fair value of investment properties is categorised as follows:

31-Dec-21	The Group			The Company		
	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000
External valuation	-	3,470,685	3,470,685	-	3,470,685	3,470,685
	-	3,470,685	3,470,685	-	3,470,685	3,470,685

Fair value of investment properties is categorised as follows:

31-Dec-20	The Group			The Company		
	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000	Freehold land and building N' 000	Leasehold land and building N' 000	Total investment properties N' 000
External valuation	303,712	2,331,287	2,634,999	-	2,331,287	2,331,287
	303,712	2,331,287	2,634,999	-	2,331,287	2,331,287

Significant unobservable valuation input (Fair value hierarchy - Level 3):

Price per square metre

N1,822.5 - N163,472.04

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 valued at 31 December 2021 by Ibukun Efuntayo & Co (FRC/2013/NIESV/00000003663), 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. (2020: Messrs Steve Akhigbemidu & Co. (FRC/2013/NIESV/000000001442)).

Included in Investment property is a property whose fair value cannot be reliably determined, due to encumbrances in the Group/Company's title to the property arising from a revocation order by the government which is subject of an ongoing litigation established by the Company.

In accordance with the IFRS, the Group/Company continues to measure the investment property at fair value based on the most recent external valuation performed on the property.

Rental income schedule	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
Rental income derived from investment properties	72,248	231,188	72,248	231,188
Direct operating expenses (including repairs and maintenance) on investment property generating rental income	(18,329)	(4,991)	(18,329)	(4,991)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(10,319)	-	(10,319)	-
Profit arising from investment properties carried at fair value	43,600	226,197	43,600	226,197

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/Company during the year is N218,827,000/N228,506,000 (2020: Group - N210,559,000; Company: N231,188,000)

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows :

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
0-1 year	17,213	51,912	17,213	51,912
1-5 years	-	-	-	-
Above 5 years	-	-	-	-
Total	17,213	51,912	17,213	51,912

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 21 N' 000	31 Dec 20 N' 000		
Opening balance	14,615,951	14,563,767		
Additions - Acquisitions in Subsidiaries	3,920,000	52,184		
Closing Balance	18,535,951	14,615,951		
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 % ownership	31 Dec 20 % ownership
Quoted shares:				
<i>Chemical and Allied Products PLC</i>	2,444,351	494,684	56.54	51.49
445,696,097 (2020: 360,427,061) ordinary shares of 50k each				
<i>Livestock Feeds PLC</i>	2,246,401	2,246,401	73.29	73.29
2,198,745,272 ordinary shares of 50k each				
<i>Portland Paints and Products Nigeria PLC</i>	-	1,949,667	-	85.50
(2020: 682,152,275) ordinary shares of 50k each				
Unquoted shares:				
<i>Grand Cereals Limited</i>	7,259,495	7,259,495	71.43	71.43
1,360,081,786 ordinary shares of N1 each				
<i>UAC Foods Limited</i>	6,334,414	2,414,414	100.00	51.00
200,000,000 (2020: 102,000,000) ordinary shares of 50k each				
<i>UAC Restaurants Limited</i>	251,290	251,290	51.00	51.00
220,830,000 (2020: 139,230,000) ordinary shares of 50k each				
	18,535,951	14,615,951		

Investments in subsidiaries are measured at cost

16(a). Chemical & Allied Products PLC and Portland Paints & Products Nigeria PLC merger

On 1 July 2021, the merger between Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (PPNP) took effect with CAP emerging as the surviving entity. The merger was consummated by a share for share exchange in the ratio of 1 CAP share for every 8 shares previously held in PPNP. Shareholders of Portland Paints and Products Nigeria PLC were given the option to either hold shares in the post-merger entity or to forfeit their shares for a cash consideration. 10.63% of the pre-existing shareholders in PPNP opted for the cash consideration option and were paid the sum of N253,286,476. For the purpose of the share exchange, CAP issued an additional 88,259,520 of 50 kobo each and incurred share issue cost of N5,475,703.36. UACN opted for CAP shares and UACN's shareholding in the combined entity post-merger is 56.54%. The effect of the change in ownership in the combined entity is as follows:

	PPNP N' 000	CAP N' 000
Net asset attributed to owners as at 30 June 2021	1,271,159	2,784,362
Cash consideration paid to NCI	-	(253,285)
Share of interest (disposed)/acquired	(374,229)	140,610
Negative movement in equity attributed to the owners of the parent	(374,229)	(112,675)
Net impact on change in equity on NCI	(486,904)	

16(b). Purchase of additional Spring Waters Nigeria Limited shares

In June 2021, UAC Foods Limited (UFL) acquired an additional 1.76% equity in Spring Waters Nigeria Limited (SWAN) for a cash consideration of N35.17 million, consequently UFL now holds 99.64% equity in SWAN. The effect of the change in ownership interest in SWAN on the equity attributable to the equity holders of UFL is as shown below:

	N' 000
Net asset attributed to owners of SWAN as at 31 May 2021	1,543,924
Share of Net asset Non Controlling Interest disposed (1.76%)	27,173
Purchase consideration paid by UFL	(35,173)
Negative movement in equity attributed to owners of UFL	(8,000)
UACN share of negative movement in equity attributed to UFL	(4,080)

16(c). Purchase of additional UAC Foods Limited shares

In September 2021, UACN acquired Tiger Brands Limited's minority equity interest (49%) in UAC Foods Limited (UFL) for a cash consideration of N3.92 billion. Following the acquisition, UFL has become a wholly owned subsidiary of UACN. The effect of the change in ownership interest in UFL on the equity attributable to the equity holders of UACN is as shown below:

	N' 000
Net asset attributed to owners of UFL as at 31 August 2021	7,882,718
Share of Net asset held by Tiger Brands Limited (49%)	3,862,532
Purchase consideration paid by UACN	(3,920,000)
Negative movement in equity attributed to the owners of the parent	(57,468)

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17. Equity instruments at fair value through other comprehensive income

The details and carrying amount of Equity instruments at fair value through other comprehensive income are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	N' 000	N' 000	N' 000	N' 000
At 1 January	188,125	28,771	188,125	28,771
Additions	221,850	-	221,850	-
Fair value gain/(loss) (a)	40,000	159,354	40,000	159,354
At 31 December	449,975	188,125	449,975	188,125

The Group

Equity instruments designated as at fair value through other comprehensive income represent UAC's investment in the following entities:

	Fair value as at 31 December 2021 N' 000	Fair value as at 31 December 2020 N' 000	Dividend Income Recognised in 2021 N' 000	Dividend Income Recognised in 2020 N' 000
Investment in Central Securities Clearing System PLC	228,125	188,125	14,625	9,675
Investment in Kandua	108,750	-	-	-
Investment in Unicorn Growth Capital LLC	113,100	-	-	-
	449,975	188,125	14,625	9,675

(a) Fair value gain/(loss)

The fair value gain represents a fair value gain on the Company's investment in CSCS PLC. The fair value was determined using level 1 inputs in accordance with IFRS 13, and the fair value measurement was derived from quoted prices on National Association of Security Dealers (NASD Plc).

18. Investments in associates

Set out below are the associates of the Group as at 31 December 2021. The associates 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 associates:

	Country of incorporation	The Group 2021 N'000	2020 N'000	The Company 2021 N'000	2020 N'000
UPDC REIT	Nigeria	-	24.34%	-	24.34%
UPDC PLC	Nigeria	42.85%	42.85%	42.85%	42.85%
MDS Logistics	Nigeria	43%	43%	43%	43%
		2021 N'000	The Group 2020 N'000	The Company 2021 N'000	2020 N'000
Associate					
UPDC REIT		-	3,571,660	-	3,571,660
MDS Logistics		4,710,886	4,780,984	1,569,274	1,569,274
UPDC PLC		3,780,560	4,665,924	3,745,233	3,745,233
At 31 December		8,491,446	13,018,568	5,314,507	8,886,167

The movement in the investment in associates during the year is stated below:

	The Group 2021 N'000	2020 N'000	The Company 2021 N'000	2020 N'000
At 1 January	13,018,568	-	8,886,167	-
Additions	-	11,973,792	-	5,314,507
Share of profit	(895,436)	973,316	-	-
Share of other comprehensive income	(60,026)	71,460	-	-
Reclassified to non-current assets held for sale/distribution*	(3,571,660)	-	(3,571,660)	3,571,660
At 31 December	8,491,446	13,018,568	5,314,507	8,886,167

*On 24 February 2021, the Board of Directors of UACN passed a resolution, subject to the approval of shareholders and the appropriate regulatory authorities, to effect the transfer of units held by UACN in UPDC REIT to shareholders in proportion to their respective shareholding. Consequently, the Company's investment was reclassified to non-current assets held for distribution. The investment was unbundled to shareholders in November 2021, following the approval of shareholders in a court ordered meeting (see note 37(b)).

Set out below is the summarised financial information for the associate and joint ventures accounted for using the equity method in the consolidated financial statements.

	Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalents N'000	Net Assets N'000
31-Dec-21						
UPDC PLC	790,400	18,805,832	5,584,190	5,993,974	1,878,320	8,018,068
MDS Logistics	5,950,199	3,320,549	2,993,873	1,491,216	133,313	4,785,660
	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000	Tax expense N'000	Profit/(loss) N'000
31-Dec-21						
UPDC PLC	825,404	18,921	45,654	(763,707)	(142,969)	(1,875,056)
MDS Logistics	8,567,941	1,166,683	2	(456,364)	-	(163,018)
	Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalents N'000	Net Assets N'000
31-Dec-20						
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	6,818,801	3,553,299	3,871,206	1,551,435	424,594	4,949,459
	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000	Tax expense N'000	Profit/(loss) N'000
31-Dec-20						
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

	The Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
19. Debt instruments at amortised cost				
At 1 January	2,205,374	2,015,218	2,205,374	2,015,218
Additions during the year	1,884,979	-	1,884,979	-
Settlements during the year	(1,984,273)	-	(1,984,273)	-
Coupon accrued	301,180	102,582	301,180	102,582
Coupon received	(225,518)	(152,794)	(225,518)	(152,794)
Exchange gain on revaluation	122,560	240,368	122,560	240,368
Gross investment in debt	2,304,302	2,205,374	2,304,302	2,205,374
ECL - Impairment (Note 3.1 (b))	(7,316)	(31,070)	(7,316)	(31,070)
At 31 December	2,296,986	2,174,304	2,296,986	2,174,304

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 Agencies. The Group recognised provision for expected credit losses on its debt instruments at amortised cost of N7,316,000 (2020: N31,070,040).

31 December 2021

Bond type	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
B-/Fitch ETI 2031	87,321	-	-	87,321
B-/S&P; B-/Fitch Ecobank 2026	472,701	-	-	472,701
B-/S&P; B-/FitchUBA 2022	223,873	-	-	223,873
B-/S&P; B-/Fitch SEPLAT 2023	229,643	-	-	229,643
B-/S&P; B-/Fitch FIDBAN 2022	369,630	-	-	369,630
B2/Moody's; B-/S&P; B+/Fitch FGN 2025	921,134	-	-	921,134
Total	2,304,302	-	-	2,304,302

31 December 2020

Bond type	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
BB- (Fitch)/BB- (S&P) FGN 2021	1,453,926	-	-	1,453,926
B- (Fitch) FIDBAN 2022	305,167	-	-	305,167
B- (Fitch)/B- (S&P) SEPLAT 2023	446,281	-	-	446,281
Total	2,205,374	-	-	2,205,374

	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
Movement in Expected Credit Loss (ECL)				
At 1 January 2021	31,070	-	-	31,070
Additions in the year	(23,754)	-	-	(23,754)
At 31 December 2021	7,316	-	-	7,316
At 1 January 2020	23,311	-	-	23,311
New asset purchased	7,759	-	-	7,759
At 31 December 2020	31,070	-	-	31,070

20. Refund assets and refund liabilities

	The Group 31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	The Com 31 Dec 20 N' 000
Refund assets	3,328	14,330	-	-
Refund liabilities				
- Arising from retrospective volume rebates	-	-	-	-
- Arising from rights of return	3,690	17,195	-	-
	3,690	17,195	-	-

Refund assets

Refund assets represent 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	Plant and Machinery	Total
	N' 000	N' 000	N' 000
At 1 January 2020	941,799	174,608	1,116,407
Additions	262,469	-	262,469
Depreciation expenses	(337,470)	(133,721)	(471,191)
Lease termination	(402,696)	-	(402,696)
At 31 December 2020 (Restated)	464,102	40,887	504,989
At 1 January 2021	464,102	40,887	504,989
Additions	352,226	252,580	604,807
Reclassification from prepayment	-	-	-
Depreciation expenses	(211,561)	(156,653)	(368,215)
Lease termination	(23,687)	-	(23,687)
At 31 December 2021	581,080	136,814	717,894

The Group leases several assets including buildings, plant and equipment. The average lease term is 24 years for buildings and 3 years for plant and machinery.

	The Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
Amounts recognised in profit or loss				
Depreciation of Right of use assets	368,215	471,191	-	-
Interest expense on lease liabilities	(122,504)	(124,497)	-	-
Expense relating to short term/low value leases	270,807	350,084	32,161	18,265

Set out below are the carrying amounts of lease liabilities and the movements during the period;

	The Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
21. Lease Liability				
At 1 January	475,317	982,117	-	-
Accretion interest	122,505	124,497	-	-
Additions during the year	578,981	164,568	-	-
Payment of principal	(539,009)	(387,350)	-	-
Interest payment	-	(74,259)	-	-
Lease terminated	(25,158)	(334,256)	-	-
At 31 December	612,636	475,317	-	-
Current	341,627	250,926	-	-
Non-current	271,009	224,391	-	-
	612,636	475,317	-	-

The maturity analysis of lease liabilities are disclosed in Note 3.3

22. Inventories

	The Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
Raw materials and consumables	27,197,637	16,496,939	-	3,602
Technical stocks and spares	5,746,789	1,425,162	-	-
Finished goods and goods for resale	3,903,046	2,548,278	-	-
	36,847,472	20,470,379	-	3,602
Write down to net realisable value (Note 8)	(633,949)	(347,308)	-	-
	36,213,523	20,123,071	-	3,602

The cost of inventories recognised as an expense during the year in respect of continuing operation was N140 million (2020: N95 million).

No inventory has been pledged as security (2020: Nil)

23. Trade and other receivables

	The Group		Restated 1 January 2020	The Company		Restated 1 January 2020
	2021 N' 000	2020 N' 000		2021 N' 000	2020 N' 000	
Receivables due within one year						
Trade receivables	1,819,831	3,892,028	3,126,355	-	-	-
Less: allowance for impairment of trade receivables	(716,136)	(1,191,031)	(1,230,771)	-	-	-
Net trade receivables	1,103,695	2,700,997	1,895,584	-	-	-
Receivables from group companies - Note 35 b	-	-	-	714,385	550,632	336,488
Receivables from associates - Note 34b	53,789	42,366	-	48,287	42,366	-
Less: allowance for impairment of intercompany receivables	-	-	-	(3,986)	-	-
Loan receivable from related parties	2,668,944	1,143,354	-	4,197,894	1,163,945	16,494,144
Allowance for expected credit losses on associates and related party receivables	(16,632)	(29,071)	-	(16,632)	(29,557)	(153,860)
Non financial assets						
Other receivables	823,057	229,219	1,149,965	112,837	85,108	318,308
Advance payments	3,923,162	315,364	-	-	-	-
WHT receivable	45,541	699,063	636,015	352,456	266,683	199,598
Prepayments - staff grants	86,828	96,986	168,084	24,450	35,500	31,758
Prepayments- Other	2,414,379	865,769	864,263	196,860	64,975	147,827
	11,102,762	6,064,047	4,713,911	5,626,551	2,179,653	17,374,262

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	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
Trade and other receivables - Current	8,254,588	6,015,921	2,249,427	2,131,527
Trade and other receivables - Non-current	2,848,174	48,126	3,377,124	48,126
	11,102,762	6,064,047	5,626,551	2,179,653

Movements in the allowance for impairment of trade receivables are as follows:

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
At 1 January	1,191,031	1,230,771	-	-
Expected credit loss allowance	100,627	77,747	-	-
Amount written off	(575,523)	(117,487)	-	-
At 31 December	716,136	1,191,031	-	-

Movements in the allowance for impairment of related party receivables are as follows:

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
At 1 January	29,071	-	29,557	153,860
Impairment charge no longer required	(12,439)	-	(12,925)	(153,374)
Impairment charge for the year	-	29,071	-	29,071
At 31 December	16,632	29,071	16,632	29,557

23.1 Finance lease receivables

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
Gross investment in lease	83,600	91,601	-	-
Unearned finance income	(69,928)	(81,229)	-	-
	13,672	10,372	-	-
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
Current asset	3,300	1,606	-	-
Non-current asset	10,372	8,766	-	-
Total finance lease receivable	13,672	10,372	-	-

24. Cash and cash equivalents

	The Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
Cash at bank and in hand	1,150,875	1,436,443	45,833	94,042
Short-term deposits	10,018,230	22,622,311	4,258,911	14,714,277
Expected credit losses on short term deposit	(866)	(30,252)	(866)	(4,554)
Cash at banks and short term deposits attributable to discontinued operations	241,706	243,812	-	-
Cash and short-term deposits	11,409,945	24,272,314	4,303,878	14,803,765

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, The 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 ₦4.69 bn (Company: ₦3.35 bn) which represents unclaimed dividends received from the registrars as at 31 December 2021 (2020: Group: ₦5.1 bn; Company: ₦3.34 bn).

The Finance Act 2020, which became effective on 1 January 2021, requires public limited liability companies quoted on the Nigerian 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 Group 2021 N' 000	2020 N' 000	The Company 2021 N' 000	2020 N' 000
Cash and short-term deposits	11,410,811	24,302,566	4,304,744	14,808,319
Balances per statement of cash flow	11,410,811	24,302,566	4,304,744	14,808,319

25. Borrowings

	The Group 2021 N' 000	2020 N' 000
Current borrowings		
Loans due within one year	19,571,889	2,503,673
	19,571,889	2,503,673
Non-current borrowings		
Loans due after one year (i)	339,723	1,735,284
Total borrowings	19,911,612	4,238,957
As at 1 January	4,238,957	6,446,520
Repayment of borrowing during the year	(30,957,284)	(7,926,033)
Initial fair value of grant	-	(283,631)
Government grant no longer required	267,383	-
Interest on loans	1,353,466	376,363
Interest paid	(1,099,038)	(315,532)
Additions	46,108,128	5,941,270
As at 31 December	19,911,612	4,238,957

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group 2021 N' 000	2020 N' 000
Within one year	19,571,889	2,503,673
Between one to five years	339,723	1,735,284
	19,911,612	4,238,957

(i) Loans due within one year

		The Group 2021 N' 000	2020 N' 000		
Bank	Effective Interest Rate			Maturity date	Security
Eco Bank	8.0%	1,528,097	-	Feb-22	No security
First Bank of Nigeria Ltd	8%(5%)	10,308,518	435,203	Feb-22	No security
First Bank of Nigeria Ltd - Commercial loan	11.5%	5,652,074	1,993,367	Oct-22	No security
Zenith bank - Commercial loan	12.0%	2,077,030	-	Sep-22	No security
FSDH	0.0%	6,170	75,103	Jan-22	Negative pledge
		19,571,889	2,503,673		

The above borrowings are denominated in Naira

(ii) Loans due after one year

		The Group 2021 N' 000	2020 N' 000		
Details of the loan maturities due after one year are as follows:	Effective Interest Rate			Maturity date	Security
Facility					
Grand Cereals Ltd: Sterling Bank Plc & BOI - Agric loan*	5% (8.5%)	-	1,735,284	Jul-25	No Security
Famous Brands Limited**	12.0%	339,723	-	May-26	No Security
		339,723	1,735,284		

*The Sterling Bank PLC and BOI Agric loan was fully settled in December 2021.

**During the year, UAC of Nigeria PLC and Famous Brands disbursed a shareholder loan to UAC Restaurants Limited (UACR) to fund restaurant expansion. The loan provided by UAC of Nigeria PLC was eliminated upon consolidation.

The Company

The company had no loan as at 31 December 2021.

UAC of Nigeria PLC
Notes to the Consolidated and Separate financial statements
for the year ended 31 December 2021

26. Deferred Tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Deferred tax assets:				
– Deferred tax asset to be recovered after more than 12 months	-	38,653	-	-
– Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax assets	-	38,653	-	-
Deferred tax liabilities:				
– Deferred tax liability to be recovered after more than 12 months	(4,649,022)	(4,505,050)	(455,987)	(435,991)
– Reclassification of deferred tax asset to deferred tax liability	-	-	-	-
– Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liabilities	(4,649,022)	(4,505,050)	(455,987)	(435,991)
Net Deferred tax liabilities	(4,649,022)	(4,466,397)	(455,987)	(435,991)

The net movement on the deferred tax account is as follows:

	2021	Group	2021	Company
	N'000	2020	N'000	2020
	N'000	N'000	N'000	N'000
At 1 January	(4,466,397)	(4,138,842)	(435,991)	(24,625)
Credited/(charged) to profit or loss	(178,625)	(308,843)	2,716	(411,366)
Credited/(charged) to other comprehensive income	(4,000)	(18,712)	(4,000)	-
At 31 December	(4,649,022)	(4,466,397)	(437,275)	(435,991)

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	Allowance for impairment on receivables	Tax losses	Leases	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	(97,652)	109,271	-	-	-	-	-	11,619
(Credited)/charged to profit or loss	11,512	15,522	0	-	-	-	-	27,034
At 31 December 2020	(86,140)	124,793	-	-	-	-	-	38,653
At 1 January 2021	(86,140)	124,793	-	-	-	-	-	38,653
Reclassification to deferred tax liabilities	86,140	(124,793)	-	-	-	-	-	(38,653)
At 31 December 2021	-	-	-	-	-	-	-	-

The Group has tax losses of ₦128,234,000 (2020: ₦156,869,000) 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

Deferred tax liabilities	Property, plant and equipment N'000	Allowance for impairment on receivables & Provisions 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 2020	4,032,504	(241,678)	-	-	(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	-	335,877
Charged to other comprehensive income		18,712						18,712
At 31 December 2020	4,022,481	(144,878)	(54,134)	8,119	72,717	1,015,333	(414,588)	4,505,050
At 1 January 2021	4,022,481	(144,878)	(54,134)	8,119	72,717	1,015,333	(414,588)	4,505,050
Reclassified from deferred tax asset	86,140	(124,793)						(38,653)
(Credited)/Charged to profit or loss	724,741	(336,910)	(35,661)	41,076	39,057	(668,265)	414,588	178,626
Charged to other comprehensive income		4,000						4,000
At 31 December 2021	4,833,361	(602,581)	(89,795)	49,195	111,774	347,068	-	4,649,022

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 2020	(83,620)	(150,171)	-	-	5,181	253,235	-	24,625
(Credited)/Charged to profit or loss	246,381	99,302	(52,140)	-	85,181	32,643	-	411,366
Charged to other comprehensive income		18,712						18,712
At 31 December 2020	162,761	(32,157)	(52,140)	-	90,362	285,878	-	454,703
At 1 January 2021	162,761	(32,157)	(52,140)	-	90,362	285,878	-	454,703
(Credited)/Charged to profit or loss	12,721	(27,638)	(23,036)	-	(25,954)	61,191	-	(2,716)
Charged to other comprehensive income	-	4,000	-		-	-	-	4,000
At 31 December 2021	175,482	(55,845)	(75,177)	-	64,408	347,069	-	455,987

UAC of Nigeria PLC
**Notes to the consolidated and separate financial statements
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27. Trade and other payables

	The Group		The Company	
	2021	2020	2021	2020
	N' 000	N' 000	N' 000	N' 000
Trade payables	5,821,213	4,081,749	-	-
Provision for employee leave	-	485	-	-
Defined contribution benefit owing to UNICO fund	-	56,612	-	-
Other payables	727,716	2,145,394	49,850	189,729
WHT payable	566,608	122,687	437,419	18,931
VAT payable	265,227	371,888	11,052	9,641
PAYE payable	43,776	55,801	19,595	52,396
Accruals	3,454,575	3,110,202	920,960	948,721
Total	10,879,115	9,944,818	1,438,876	1,219,418

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 payables to other vendors.

Accruals relates to accrued professional fees, accrued consultants fees, accrued audit fees and other accrued expenses.

28. Government Grants

	The Group		The Company	
	2021	2020	2021	2020
	N' 000	N' 000	N' 000	N' 000
At 1 January	267,383	50,107	-	-
Amount received during the year	-	283,631	-	-
Reversed on payment of Sterling Bank PLC/BOI Agric Loan	(267,383)	-	-	-
Released to the statement of profit or loss	-	(66,355)	-	-
At 31 December	-	267,383	-	-
Current	-	58,343	-	-
Non-current	-	209,040	-	-
	-	267,383	-	-

Government grants relate 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. During the year, the outstanding balance of the Agric loan was fully repaid to Sterling Bank following the recall of the loan by the Central Bank of Nigeria and has been reversed to loans and borrowings.

29. Contract liabilities

	The Group		The Company	
	2021	2020	2021	2020
	N' 000	N' 000	N' 000	N' 000
At 1 January	1,340,627	869,259	159,277	152,775
Refund	(190)	663,890	-	199,024
Released to the statement of profit or loss	(1,377,479)	(192,522)	(208,940)	(192,522)
Deferred during the year	2,462,336	-	145,225	-
At 31 December	2,425,294	1,340,627	95,562	159,277

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 Company	
	2021	2020	2021	2020
	N' 000	N' 000	N' 000	N' 000
As at 1 January	6,084,307	5,517,803	5,127,079	4,843,925
Dividend declared	4,388,282	429,260	3,457,556	288,130
Dividend paid during the year to NCI	(936,328)	(130,404)	-	-
Dividend paid during the year to equity holders of the parent company	(3,457,556)	(288,130)	(3,457,556)	(288,130)
Reclassification to withholding tax payable	(752,683)	-	(431,003)	-
Statute barred unclaimed dividend written back	-	(10,677)	-	(10,677)
Unclaimed dividend (refunded to)/returned by registrar	(132,985)	566,455	(3,817)	293,831
At 31 December	5,193,036	6,084,307	4,692,260	5,127,079

31. Provisions

The Group	Provisions N'000	Legal claim N'000	Decommissioning liability N' 000	Total N' 000
At 1 January 2020	3,000	92,948	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	3,000	189,018	6,357	198,375
Current	3,000	189,018	-	192,018
Non-current	-	-	6,357	6,357
At 1 January 2021	3,000	189,018	6,357	198,375
Unwinding of discount	-	-	-	-
Charge to profit or loss	-	-	10,286	10,286
Derecognised on payment	-	(99,070)	-	(99,070)
Provision write back	-	-	-	-
31 December 2021	3,000	89,948	16,643	109,591
Current	3,000	89,948	-	92,948
Non-current	-	-	16,643	16,643

Decommissioning 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 crystallise 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.

The Company	Legal claim	
	2021 N'000	2020 N'000
At 1 January	89,948	89,948
Exchange difference arising on litigation	-	-
At 31 December	89,948	89,948

Contingent liabilities

The Group is engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to ₦3.48 billion and ₦648 million for the Group and Company respectively.

The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle these obligations and accordingly no provision has been made in the consolidated and separate financial statements except as disclosed in Note 31.

32 Employee benefit

One of the entities within the Group (Grand Cereals Limited) sponsors a long service award scheme for qualifying employees. Employees are rewarded after a specific number of years in service. Employees are entitled to the awards after being in service for 10, 15, 20, 25, and 30 years with the amounts and items given based on the number of years in service. Payment of the awards is given in cash and in kind.

Long service award

	Years in service
10 years award plaque + 10% of annual basic salary	10 years
15 years award plaque + 15% of annual basic salary + 24" LCD TV or gift voucher in lieu of gift item	15 years
20 years award plaque + 20% of annual basic salary + 32" LCD TV or gift voucher in lieu of gift item	20 years
25 years award plaque + 25% of annual basic salary + Fridge-freezer or gift voucher in lieu of gift item	25 years
30 years award plaque + 30% of annual basic salary + deep-freezer or gift voucher in lieu of gift item	30 years

The most recent actuarial valuations of the present value of the long service award obligations were done as at 31 December 2021 by the firm of QED Actuaries Nigeria Limited (FRC Registration Number: FRC/2018/00000012293). The present value of the long service award obligation and the related current service cost were measured using the Projected Unit Credit method.

Amounts recognised in profit or loss in respect of these long service awards are as follows;

	The Group	
	2021	2020
	N' 000	N' 000
Service cost	9,198	5,515
Interest cost	7111	6,997
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(28,755)	24,662
- Experience adjustments	-	7,432
	(12,446)	44,606

Movement in the present value of long service awards

	The Group		
	2021	Restated 2020	Restated 1 January 2020
	N' 000	N' 000	N' 000
Opening defined benefit obligation	94,403	58,539	-
Current service cost	9,198	5,515	58,539
Benefit paid	(9,661)	(8,742)	-
Interest cost	7,111	6,997	-
Actuarial (gains/losses)	(28,755)	32,094	-
	72,296	94,403	58,539

Actuarial assumptions

Principal economic actuarial assumptions at the reporting date (expressed as weighted averages):

	Group	
	2021	2020
Key assumptions used:		
Discount rate	13.1%	7.2%
Inflation rate	9.0%	9.0%
Gift Benefit Increase Rate	9.0%	9.0%
Salary Increase Rate	6.0%	9.0%
Weighted duration of plan	6 years	6 years

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Demographic assumptions

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are

based on the rates on A67/70 tables published jointly by the Institute and Faculty of Actuaries in the UK.

	Group				
Sample age	25	30	35	40	45
Number of deaths in year out of 10,000 lives	7	7	9	14	26
Age band	<= 30	31 - 39	40 - 44	45 - 59	60
Withdrawal from service	4%	3%	2%	0%	0%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant would have affected the long service award obligation by the amounts shown below.

		N'000
Base amount		72,296
Discount rate	+1%	68,970
	-1%	75,911
Future salary increase	+1%	75,405
	-1%	69,404
Mortality rate	+1%	75,405
	-1%	72,477
Benefit escalation rate	+1%	75,405
	-1%	69,404

Sensitivity to each actuarial assumption was determined while other assumptions were held constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**33. Share Capital
Group and Company**

	Number 000	2021 Amount N' 000	2020 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

Unissued share capital

UAC of Nigeria PLC is aware of the provisions of Companies and Allied Matters Act 2020, Companies Regulations 2021 as it relates to unissued share capital, as well as the Corporate Affairs Commission circular dated 16th April 2021, and is exploring options for compliance before the due date of 31 December 2022.

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.

Other reserve

Other reserve relates to the cumulative net change in the fair value of property, plant and equipment prior to the adoption of IFRS. On adoption of IFRS, the cost and revaluation surplus was taken as deemed cost and no subsequent revaluations are required.

Share based reserve

Description of share-based arrangement

In 2021, the Company introduced a Long Term Incentive Plan ("LTIP") using the value creation plan ("VCP") model under which eligible employees ("Participants") are awarded ordinary shares of the Company subject to delivering exceptional shareholder value.

The value creation plan ("VCP") was designed to incentivize employees to deliver exceptional returns for shareholders over a five-year period. The model is aimed at ensuring that UAC attracts, retains, and motivates talented employees with the mindset of owners and to align the interests of employees and shareholders with performance measured by the management team's ability to maximise shareholder value.

Under the VCP, Participants will receive, in the form of ordinary shares in the Company, 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 distributed to Participants.

A summary of the features of the plan are as shown below

Participant benefit	Participants receive a 10% share in shareholder value (share price plus dividends or distributions) created above the initial market capitalization
Vesting condition	TSR hurdle rate of 18% per annum over a five-year period
Vesting period	Years 3, 4, and 5
Pay out	Year 3: 50% of amount awarded is converted to nil cost options immediately while the remaining 50% vests in year 5 Year 4: 50% of amount awarded is converted to nil cost options immediately while the remaining 50% vests in year 5 Year 5: 100% of the amount awarded is converted to nil cost options and vests immediately.
Method of settlement	Equity settled (ordinary shares of the Company)
Grant date	After obtaining the approval of the regulatory authorities and the shareholders, the Company communicated the plan to its employees on 05 August 2021. Therefore, the grant date for the LTIP is 05 August 2021.

The LTIP and the establishment of the VCP was approved by UAC's shareholders at the Company's 2020 annual general meeting which held on 30 June 2021.

Measurement of fair value

The awards were valued using a Monte Carlo simulation which calculates a fair value based on a large number of randomly generated projections of the Company's TSR. The projections allow for initial TSR performance to the grant date, incorporating dividends paid and the likelihood of meeting the 18% hurdle.

The inputs and assumptions used in the measurement of the fair value at grant date of the LTIP are as shown below:

UAC share price at grant date	N10 per share
Market capitalization at grant date (N'000)	28,812,966
Estimated dividend yield	6.50%
Risk free rate	0.77%
Volatility	40%
Fair value on grant date (N'000)	1,003,763

The expected volatility has been based on the share price volatility levels of 2019, prior to the COVID-19 pandemic. The sensitivity of the fair values to various changes in the volatility and dividend assumptions is set out below.

Base case – 40% volatility	45% volatility	50% volatility
N'000	N'000	N'000
1,003,763	1,204,516 (+20%)	1,405,268 (+40%)

4.5% dividend yield	Base case – 6.5% dividend yield	8.5% dividend yield
N'000	N'000	N'000
1,104,139 (+1%)	1,003,763	993,725 (-1%)

There were no modifications to the LTIP during the reporting period.

Expense recognized in profit or loss

The 2021 expense recognized in profit or loss in relation to the LTIP is as shown in note 8(f(i)).

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34. Reconciliation of profit/(loss) before tax to cash generated from/(used in) operations

		2021	Group Restated 2020	Company 2021	Restated 2020
	Note	N' 000	N' 000	N' 000	N' 000
Profit/(loss) before tax from continuing operations		4,108,373	5,084,981	2,487,246	(2,061,677)
(Loss)/profit before tax from discontinued operations		(2,105)	543,760	-	-
Adjustment for net finance (income)/cost (excluding exchange differences)		264,579	(550,220)	(1,004,692)	(1,435,793)
Operating profit/(loss)		4,370,847	5,078,521	1,482,554	(3,497,470)
<i>Adjustments to reconcile operating profit/(loss) to net cash flows</i>					
Amortisation of intangible assets	8	33,208	53,110	3,144	2,879
Dividend income	6	(260,093)	(9,675)	(1,561,023)	(349,695)
Depreciation charge on property, plant and equipment	8	2,138,969	2,021,109	136,348	138,466
Reclassification of intangible asset	14	764	-	764	-
Depreciation charge on right of use asset	8	368,215	471,191	-	-
Write off of inventories to net realisable value	8	140,162	55,182	-	-
Expected credit loss on debt securities	7ii	(23,754)	7,759	(23,754)	7,759
Expected credit loss on related party receivables	7ii	(12,439)	-	(8,939)	29,071
Expected credit loss writeback on trade and other receivables	7i	81,527	77,747	10,296	(153,374)
Write back of expected credit loss on short term deposits		(29,386)	(17,383)	(3,688)	(43,080)
Effects of exchange rate changes on debt securities	19	(122,560)	(240,368)	(122,560)	(240,368)
Net fair value (gains)/losses on investment properties	15	(1,139,398)	(234,270)	(1,139,398)	(234,270)
Write back of statute barred unclaimed dividend	7i	-	(10,677)	-	(10,677)
Unwinding of government grant		-	(66,355)	-	-
Share of loss/(profit) of associate	18.1	895,436	(973,316)	-	-
Loss on lease terminated	21	(1,470)	68,440	-	-
Loss arising from fair value adjustments of investment in UPDC	7ii	-	-	-	2,800,269
Write-off of PPE		902	-	901	-
Loss/(profit) on sale of disposal of subsidiary	7ii	-	(2,379,992)	-	136,458
Fair value gain on unbundling of UPDC REIT unit to shareholders		(324,725)	-	(324,725)	-
Share based expense	8(f)	98,931	-	98,931	-
(Profit)/loss on sale of tangible PPE	7i	32,009	(2,205)	32,129	(3,080)
Profit on sale of non current asset held for sale	7i	(160,068)	-	-	-
Operating cash flows before movements in working capital		6,087,077	3,898,818	(1,419,020)	(1,417,112)
<i>Movements in working capital:</i>					
Changes in inventories		(16,230,614)	(3,888,041)	3,602	-
Changes in trade and other receivables and prepayments		(5,256,296)	(1,804,015)	(3,450,151)	(702,738)
Changes in contract liabilities		1,084,667	471,368	(63,715)	6,502
Changes in trade and other payables		181,612	69,593	(211,546)	99,118
Changes in employee benefits		(22,107)	35,864	-	-
Changes in finance lease receivable		-	(10,372)	-	-
Net movement in provision		(88,784)	94,070	-	-
Changes in right of return asset		11,003	(6,946)	-	-
Changes in refund liability		(13,505)	9,102	-	-
Net cash used in operations - continuing operations		(14,246,948)	(1,130,559)	(5,140,830)	(2,014,234)
Changes in assets and liabilities		-	4,196,720	-	-
Net cash from operations - discontinued operations		-	4,196,720	-	-
Net cash generated from/(used in) operations		(14,246,948)	3,066,161	(5,140,830)	(2,014,234)

35. Related party transactions

Balances and transactions within the Group and its subsidiaries, which are related parties, have been eliminated on consolidation.

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 and associates for support services. Income from commercial services fees (representing 0.75-1% of revenue of the subsidiaries) N649 million (2020: N527 million).

This has been included in the revenue of the Company.

	Company	
	2021	2020
	N' 000	N' 000
UPDC PLC	-	15,569
Grand Cereals Limited	328,454	303,431
Chemical & Allied Products PLC	158,591	78,498
MDS Logistics Ltd	15,694	-
Portland Paints & Products Nigeria PLC	11,460	25,815
Livestock Feeds PLC	134,753	103,959
	648,952	527,272

(b) Period-end net balances arising from sales/purchases of goods/services with subsidiaries and associates

	Company	
	2021	2020
	N' 000	N' 000
Receivable/(Payable):		
Subsidiaries		
Chemical & Allied Products PLC	250,936	94,237
Grand Cereals Limited	274,709	300,938
UAC Restaurants Limited	59,062	(584)
Portland Paints & Products Nigeria PLC	-	104,506
Livestock Feeds PLC	23,908	31,852
UAC Foods Ltd	105,770	19,684
MDS Logistics Ltd	-	-
	714,385	550,632
Associates		
UPDC PLC	30,290	1,182
MDS Logistics Ltd	17,997	41,184
	48,287	42,366
	762,672	592,999

(c) Intercompany loan

	Company	
	2021	2020
	N' 000	N' 000
UPDC PLC	2,668,944	1,143,354
Grand Cereals Ltd	-	20,591
UAC Foods Ltd	1,000,000	-
UAC Restaurants Limited	528,950	-
	4,197,894	1,163,945

All trading balances will be settled in cash.

The expected credit loss relating to related party receivables as at 31 December 2021 was N20,618,000 (2020: N29,557,000) and the net credit to the profit or loss in respect of doubtful related party receivables was N8,939,000.

(e) Key Management Personnel

Total transactions with key management personnel amounted to **Nil** during the year (2020:Nil).

Intra-group and other related party transactions are carried out at normal commercial terms and conditions.

36. Capital commitments

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Capital expenditure authorised	7,545,120	8,001,909	121,661	-
Capital expenditure authorised & contracted	1,436,567	1,099,958	74,727	-

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37a. Non-current assets held for sale/distribution

Manufacturing facility in paint segment

Following the approval by the Board of Directors in November 2019, part of a manufacturing facility within the Paints segment was presented as non-current asset held for sale. In June 2021, a part of the facility with cost of N10,060,000 and a carrying value of N6,774,442 was disposed for the sum N166,842,925 and a profit on disposal was recognised as is disclosed in Note 7i. Despite the inability to complete the sale of the asset within 12 months, management is still committed to the disposal of the remaining asset. Hence, the continual classification of the asset as a non-current asset held for sale with the carrying value of N242,284,000 (2020: N265,496,000) .

UPDC Real Estate Investment Trust (REIT) units

On 24 February 2021, the Board of Directors of UACN passed a resolution, subject to the approval of shareholders and the appropriate regulatory authorities, to effect the transfer of units held by UACN in UPDC REIT to shareholders in proportion to their respective shareholding. Consequently, the Company's investment was reclassified to non-current assets held for distribution and measured at its carrying amount of N3.57billion. The units were distributed in November 2021 and resulted in a distribution gain of N325 million (see note 7i).

Investment property

In November 2019, the directors of UAC Foods Limited decided to sell its property located at Maya, Oyo State. This property had previously been classified as Investment Property. Revaluation exercise was carried out on this property at the end of December 2020 and the fair value is N1.4Billion.

Steve Akhigbemidu & Co, with FRN/2013/NIESV/00000001442 carried out the valuation of this property.

Movement in non-current assets held for sale/distribution

	2021	2020
	N'000	N'000
Opening balance	265,496	-
Transfer from investment in associates (UPDC REIT)	3,571,660	-
Transfer (to)/from PPE	(13,155)	265,496
Transfer from Investment property	303,712	-
Cost of asset disposed	(10,060)	-
Distribution of units held in UPDC REIT to Shareholders	(3,571,660)	-
Closing balance	<u>545,993</u>	<u>265,496</u>

37b. Liabilities classified as held for distribution to owners

UPDC Real Estate Investment Trust

On the 20th of September 2021, the Shareholders of UAC approved the distribution of the 649,392,661 units of UPDC REIT held by the company to shareholders on a pro rata basis. Consequently, N3.90 billion representing the fair value of the units to be distributed was recognized as a distribution liability and reduction in equity in accordance with IFRIC 17 (Distributions of non cash asset to owners). The fair value of the units was determined using the price of the UPDC REIT units as at the date of the transfer, as quoted on the Nigerian Exchange Ltd (level 1 of the fair value hierarchy). The units were distributed in November 2021 and resulted in a distribution gain of N325 million as shown below.

	N'000
Fair value of UPDC REIT units as at 17 November 2021 (N6 per share)	3,896,939
Carrying value of UPDC REIT asset in assets held for distribution (N5.6 per share)	(3,571,660)
Purchase of additional UPDC REIT units for unbundling to shareholders	<u>(554)</u>
Fair value gain on unbundling of UPDC REIT units	<u><u>324,725</u></u>

37c. Disposal group held for sale and discontinued operations

Disposal group held for sale/distribution to owners

UPDC PLC

In 2020, UACN entered into a binding agreement to sell 51% of its shareholding in UPDC to Custodian Investment Plc. The first and second tranches of the transaction resulting in a disposal of 51% were carried out in 2020. Consequent to the sale, UACN owns 42.85% of UPDC and UPDC was reclassified as an Investment in associate.

Tranche 1

	2021	2020
	N'000	N'000
Cash consideration	-	662,591
Transaction charges	-	(3,524)
Carrying amount of net asset disposed	-	<u>(744,864)</u>
Loss on disposal	-	<u><u>(85,797)</u></u>

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Tranche 2

	2021	2020
	N'000	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

	2021	2020
	N'000	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

* Total net asset of subsidiary less NCI prior to disposal was ₦15.79bn, the share attributable to NCI amounted to ₦1.71bn.

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 was concluded in the 2020 financial year, and profit from the disposal of MDS was reported under IFRS 5 as non current asset held for disposal/distribution and discontinued operations.

	2021	2020
	N'000	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

	2021	2020
	N'000	N'000
Cash proceed from disposal	-	866,400
Less cash and cash equivalent balance	-	(427,451)
Net cash proceed from disposal	-	438,949

* Total net asset of subsidiary prior to disposal was ₦4.66bn, the share attributable to NCI amounted to ₦2.28bn.

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 year 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 still ongoing.

	The Company			
	2021	2020	%	
	N'000	N'000	2021	2020
<i>UNICO CPFA Limited</i>				
130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67
	130,000	130,000		

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Analysis of the results of the disposal group held for sale and distribution to owners is as follows:

	UNICO 2021 N'000	TOTAL 2021 N'000	UNICO 2020 N'000	TOTAL 2020 N'000
Assets				
Non-current assets:				
Property, plant and equipment	2,920	2,920	2,920	2,920
Deferred tax asset	945	945	945	945
	3,865	3,865	3,865	3,865
Current assets				
Inventories	-	-	-	-
Trade and other receivables	-	-	-	-
Statutory Reserve Fund Account	-	-	-	-
Income tax asset	-	-	-	-
Total	3,865	3,865	3,865	3,865
Liabilities				
Current liabilities				
Trade and other payables	34,090	34,090	34,090	34,090
Current income tax liabilities	8,004	8,004	8,004	8,004
	42,094	42,094	42,094	42,094
Total	42,094	42,094	42,094	42,094

Analysis of the results of the discontinued operations is as follows:

	UNICO 2021 N'000	TOTAL 2021 N'000	MDS 2020 N'000	UNICO 2020 N'000	UPDC 2020 N'000	TOTAL 2020 N'000
Revenue	-	-	-	2,481	436,074	438,555
Cost of sales	-	-	-	-	(369,478)	(369,478)
Gross profit	-	-	-	2,481	66,596	69,077
Loss on disposal of investment properties	-	-	-	-	(47,173)	(47,173)
Other losses	-	-	-	(1,014)	(650,577)	(651,591)
Selling and distribution expenses	-	-	-	-	(53,084)	(53,084)
Administrative expenses	(2,105)	(2,105)	-	-	(614,272)	(614,272)
Financial guarantee	-	-	-	-	(775,920)	(775,920)
Operating profit	(2,105)	(2,105)	-	1,467	(2,074,430)	(2,072,963)
Finance income	-	-	-	-	3,351	3,351
Finance cost	-	-	-	-	(637,136)	(637,136)
Share of profit of associates	-	-	-	-	-	-
Share of loss of Joint Ventures	-	-	-	-	-	-
Loss before impairment	(2,105)	(2,105)	-	1,467	(2,708,215)	(2,706,748)
Impairment/(Reversal of Impairment) of receivable in JVs	-	-	-	-	-	-
Fair value gain arising from fair valuation of disposal group held for distribution	-	-	-	-	-	-
Related to pre-tax profit/(loss) from the ordinary activities for the year	-	-	-	-	(74,098)	(74,098)
Loss after tax	(2,105)	(2,105)	-	1,467	(2,782,313)	(2,780,846)
Profit/(loss) from discontinued operations	-	-	3,146,244	-	(126,584)	3,019,660
Dividend income from discontinued operation	-	-	-	-	972,860	972,860
Impairment of assets of disposal group held for sale	-	-	-	-	(742,012)	(742,012)
(Loss)/profit from discontinued operations	(2,105)	(2,105)	3,146,244	1,467	(2,678,049)	469,662
Other Comprehensive income						
Net changes in fair value of financial assets	-	-	-	-	-	-
Total comprehensive (loss)/income for the year net of tax	(2,105)	(2,105)	3,146,244	1,467	(2,678,049)	469,662
Other Comprehensive income						

Cashflows from discontinued operations:

The net cash flows incurred are, as follows:

	UNICO 2021 N'000	TOTAL 2021 N'000	UNICO 2020 N'000	UPDC 2020 N'000	TOTAL 2020 N'000
Operating	(2,105)	(2,105)	(12,883)	153,993	141,110
Investing	-	-	-	1,931,346	1,931,346
Financing	-	-	-	(874,844)	(874,844)
Net cash inflows/(outflows)	(2,105)	(2,105)	(12,883)	1,210,495	1,197,612

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 (1 entity) and Logistics (1 entity). The Group comprises of a corporate centre (the Company) holding interests in 7 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 2021. The loss allocated to Non-Controlling Interest (NCI) for the year 2021 is ₦ 262 million (2020: Loss of ₦ 30million) and no dividend was paid. As at 31 December 2021, the accumulated NCI in the subsidiary was a net loss of ₦33 million (2020: net gain of ₦219 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%. In September 2021, UACN acquired Tiger Brands Limited's minority equity interest (49%) in UAC Foods Limited (UFL) for a cash consideration of ₦3.92 billion. Following the acquisition, UFL has become a wholly owned subsidiary of UACN. Consequently, Tiger Brands held a 0% stake in the company as at 31 December 2021 (2020: 49%). The profit allocated to Non-Controlling Interest (NCI) for the year 2021 is ₦286.7 million (2020: ₦450.4 million) and no dividend was paid in 2021 (2020 dividend paid: NIL). As at 31 December 2021, the accumulated NCI in the subsidiary was Nil (2020: ₦3.65 billion).

Summarised financial information	UACR N'000	UFL N'000
31-Dec-21		
Non-current assets	506,315	-
Current assets	847,306	-
Current liabilities	536,847	-
Non-current liabilities	973,322	-
Revenue	2,208,183	-
(Loss)/Profit before tax	(508,893)	-
Total comprehensive (loss)/income	(514,415)	-
31-Dec-20		
Non-current assets	506,315	6,882,481
Current assets	847,306	7,435,452
Current liabilities	536,847	4,956,708
Non-current liabilities	973,322	951,148
Revenue	2,208,183	23,750,689
(Loss)/Profit before tax	(514,415)	1,452,383
Total comprehensive (loss)/income	(514,415)	1,005,494

38. Restatement of comparative information

Certain changes were made to properly correct the recognition and measurement of line items in the consolidated and separate financial statements. Corrections were made by restating each of the affected financial statements line items for prior periods.

The following tables summarize the impact on the consolidated and separate financial statements:

Group	31 December 2020			1 January 2020		
	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000
Statement of profit or loss						
Income tax expense (a)	1,662,581	34,002	1,696,583	-	-	-
Personnel expenses (b)	8,414,718	35,864	8,450,582	-	-	-
Statement of financial position						
Trade and other receivables (a), (d)	6,500,290	(484,369)	6,015,921	5,015,319	(434,367)	4,580,952
Right of use asset (d)	488,989	16,000	504,989	1,116,407	-	1,116,407
Employee benefit obligations (b)	-	94,403	94,403	-	58,539	58,539
Trade and other payables (c)	9,829,941	114,877	9,944,818	9,760,344	114,877	9,875,221
Deferred tax liability (e)	4,486,338	18,712	4,505,050	4,150,461	-	4,150,461
Fair value reserve (e)	258,584	(18,712)	239,872	27,770	-	27,770
Retained earnings(a), (b), (c)	32,710,006	(617,858)	32,092,148	29,997,824	(558,238)	29,439,586
Non controlling interest (b), (c)	8,729,588	(59,791)	8,669,797	10,461,832	(49,545)	10,412,287

Company	31 December 2020			1 January 2020		
	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000
Statement of profit or loss						
Income tax expense (a)	413,909	34,002	447,911	-	-	-
Statement of financial position						
Trade and other receivables (a)	2,599,896	(468,369)	2,131,527	17,677,438	(434,367)	17,243,071
Deferred tax liability (e)	435,991	18,712	454,703	24,625	-	24,625
Fair value reserve (e)	(108,939)	(18,712)	(127,651)	27,770	-	27,770
Retained earnings(a)	17,030,178	(468,369)	16,561,809	19,793,893	(434,367)	19,359,526

(a) Withholding tax receivables (impact on group and company)

The withholding tax receivables on dividend income was reported in trade and other receivables for the comparative periods instead of being recognized as income tax expenses. During the year, the Group and Company established that withholding tax on dividend income, which was previously recognized as withholding tax receivables, cannot be utilised and is irrecoverable because it is deemed the final tax on dividend income. Consequently, the recognition of the withholding tax receivable on dividend income has been corrected retrospectively by restating the comparative amounts for the opening balances as at 1 January 2020 and the prior period as at 31 December 2020.

(b) Employee benefit obligations (impact on group)

The liability arising from the long service awards scheme prior to 2021 was not recognised, and this obligation existed as at 1 January 2020.

(c) Provision for judgement debt (impact on group)

In 2018, a Subsidiary received judgment against it, in a legal case between the subsidiary and some former employees. In the judgment, the subsidiary was required to pay the former employees arrears of salaries and allowances from their employment termination/resignation dates to the judgement date. The obligation was estimated to be to ₦114.8million but the provision was not recognised in the subsidiary's books. The provision has now been recognised retrospectively by restating the comparative amounts for 01 January 2020 and 31 December 2020.

(d) Right of use asset and prepayment (impact on group)

In 2021, a subsidiary modified the presentation of the joint lease arrangement with a lessor to reflect more appropriately the nature of the transaction as a contract containing a lease in accordance with IFRS 16, *Leases*. Comparative amounts in the statement of financial position were reclassified for consistency which resulted in the reclassification of ₦16 million relating to the unused balance of the lease payment from prepayment to right of use assets.

(e) Deferred tax liability on equity instrument measured at fair value through other comprehensive income (impact on company and group)

In 2020, the Company did not recognise a deferred tax liability on the fair value gain on its equity instrument measured at fair value through other comprehensive income. This has been corrected retrospectively by restating the deferred tax liability and fair value reserve balances

39. Events after the reporting period

There were no events occurring after the reporting period that could have a material effect on the state of affairs of the Group or Company as at 31 December 2021 which have not been adequately provided for or disclosed in these financial statements.

40. 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 2021. The gain on fair valuation was credited to profit or loss and is shown in "other operating income/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.

Fair value measurements as at 31 December 2020 using:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>all figures in N'000 unless otherwise stated</i>			
Recurring fair value measurements	N'000	N'000	N'000
Investment Property			
UACN Company	-	-	2,331,287
UFL	-	-	303,712
Group			2,634,999

Fair value measurements as at 31 December 2021 using:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>all figures in N'000 unless otherwise stated</i>			
Recurring fair value measurements	N'000	N'000	N'000
Investment Property			
UAC Company	-	-	3,470,685
Group			3,470,685

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 from fair value adjustment on investment property	234,270	234,270
Closing Balance	2,634,999	2,331,287

Reconciliation of level 3 fair values

2021

	Investment Property (Group) N'000	Investment Property (Company) N'000
Opening balance	2,634,999	2,331,287
Transfer to non current assets held for sale	(303,712)	-
Net gain from fair value adjustment on investment property	1,139,398	1,139,398
Closing Balance	3,470,685	3,470,685

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 Ibukun Efuntayo & Co (FRC/2013/NIESV/00000003663) carried out the valuation exercise of investment properties as at 31 December 2021.

The external valuations of the level 3 investment properties have been performed using the Open Market Approach. The external valuers have 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 2021	Fair value as at 31 December 2020	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment Property - UAC Company	3,470,685	2,634,999	Fair Market Value Approach	The price range used per square metre are N1,822.5– N163,472.04 (2020: N20,000 – N75,000) which was 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
Investment Property - UFL	-	303,712	Market Approach	The price range used per square metre are Nil (2020: 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

UAC of Nigeria PLC

Other national disclosures

Shareholding Structure/Free Float Status

Company Name:	UAC of Nigeria PLC
Board Listed:	Main Board
Year End:	31 December
Reporting Period:	31 December 2021
Share Price at end of reporting period:	N9.50

Description	31-Dec-21	
	Units	Percentage
Issued Share Capital	2,881,296,579	100%
Substantial Shareholdings (5% and above)		
Themis Capital Management	496,128,943	17.22%
Dalio Property Development Limited	152,380,473	5.29%
Total Substantial Shareholdings	648,509,416	22.51%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
Mr. Daniel Agbor	35,000,000	1.21%
Mr. Folasope Aiyesimoju	101,438,731	3.52%
Dr. Vitus Ezinwa	1,485,174	0.05%
Mrs. Babafunke Ijaiya-Oladipo	237,740	0.01%
Dr. Umaru Alka	8,109	0.00%
Mrs. Suzanne Iroche	-	0.00%
Mr. Babatunde Kasali	10,000	0.00%
Mr. Karl Toriola	-	0.00%
Mr. Bolaji Odunsi	-	0.00%
Total Directors' Shareholdings	138,179,754	4.80%
Other Influential Shareholdings		
Metropolitan Life Insurance Nig Ltd	95,783,885	3.32%
AM&P Advisory Services	78,653,201	2.73%
Total Other Influential Shareholdings	174,437,086	6.05%
Free Float in Units and Percentage	1,920,170,323	66.64%
Free Float in Value	₦ 18,241,618,068.50	

Declaration:

UAC of Nigeria PLC, with a free float percentage of 66.64% as at 31 December 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

UAC of Nigeria PLC

Other national disclosures

Statement of Value Added

For the year ended 31 December 2021

	Group				Company			
	2021		2020		2021		2020	
	Restated		Restated		Restated		Restated	
	=N=Million	%	=N=Million	%	=N=Million	%	=N=Million	%
Turnover	101,377		81,358		877		758	
Share of associated companies' profits	(895)		973		-		-	
Interest received & other income	3,634		2,191		2,685		(868)	
Cost of materials and services:								
Imported	(14,469)		(7,637)		(78)		-	
Local	(72,260)		(60,072)		(432)		(477)	
Value Added	17,387	100	16,813	100	3,053	100	(586)	100
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	9,632	55	8,451	50	1,406	46	1,175	(201)
To pay government								
Taxes	1,519	9	1,697	10	143	5	448	(76)
To pay providers of capital								
Interest charges	1,476	8	502	3	-	-	-	-
To pay shareholders								
Dividend	1,873	11	3,457	21	1,873	61	3,457	(590)
Retained for replacement of assets and business growth:								
Depreciation and Amortisation	2,172	12	2,074	12	139	5	141	(24)
Non-controlling interest	780	4	1,266	8	-	-	-	-
Future Investment	(66)	(0)	(634)	(4)	(508)	(17)	(5,807)	991
	17,387	100	16,813	100	3,053	100	(586)	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.

Other national disclosures

Group five-year financial summary Year ended 31 December 2021

Naira millions	2017	2018	2019	2020	2021
Funds Employed					
Equity attributable to equity holders of the Company	51,076	57,885	49,521	52,006	45,981
Non-controlling interest	21,535	16,189	10,412	8,670	4,857
Creditors due after one year	6,300	9,212	6,522	6,775	5,349
Provisions	110	104	96	192	93
	79,021	83,390	66,551	67,643	56,280
Employment of funds					
Property, plant and equipment, Intangible assets, Investment Property and Other non-current assets	37,263	30,564	18,920	21,012	22,224
Long term investments	19,136	20,139	2,021	15,381	11,238
Net current (liabilities) / assets	10,184	24,353	18,720	26,221	13,650
	66,583	75,056	39,661	62,614	47,112
Capital expenditure	1,313	2,926	2,710	4,496	3,466
Depreciation	2,669	2,280	1,926	2,074	2,172
Results					
	2017	2018	2019	2020	2021
				Restated	
Turnover	89,178	70,474	79,202	81,358	101,377
Profit from operations	7,031	3,920	5,666	3,597	4,922
Share of profit of associated companies	539	-	-	973	(895)
Taxation	(1,922)	(1,838)	(2,111)	(1,697)	(1,519)
Profit/ (loss) after tax	956	(6,045)	(5,308)	3,858	2,587
Profit/ (loss) for the year retained	(965)	(7,918)	(7,152)	2,363	(1,651)
Share prices : High (kobo)	1,672	985	960	1,105	1,145
Low (kobo)	1,672	975	450	540	710
Market capitalisation (period-end)	32,117	28,093	24,779	20,889	27,372
Earnings per share (kobo)	50	(209)	(183)	90	63
Earnings per share (kobo) - adjusted	50	(209)	(183)	90	63
Net assets per share (kobo)	3,807	2,571	2,080	2,106	1,764

Other national disclosures

Company five-year financial summary Year ended 31 December 2021

Naira millions	2017	2018	2019	2020	2021
Funds Employed					
Equity attributable to equity holders of the Company	23,451	40,132	39,337	36,680	31,805
Creditors due after one year	153	74	25	455	456
Provisions	-	90	90	90	90
	23,604	40,296	39,452	37,225	32,351
Employment of funds					
Property, plant and equipment	660	714	699	888	933
Long term investments	15,815	21,208	14,564	14,616	18,536
Net current (liabilities) / assets	4,208	15,408	16,182	7,863	(2,254)
	20,683	37,330	31,445	23,367	17,215
Capital expenditure	100	244	177	215	215
Depreciation	164	142	146	138	136

Results	2017	2018	2019	2020	2021
				Restated	
Turnover	827	681	759	758	877
Profit from operations	1,551	1,278	(667)	(3,497)	1,389
Taxation	(289)	(587)	(490)	(448)	(143)
Profit after tax	3,080	3,609	1,484	(2,510)	2,345
Dividend - proposed	(1,847)	(1,844)	(288)	(3,457)	(1,873)
Profit for the year retained	1,159	1,736	(360)	(2,798)	(1,113)
Share prices : High (kobo)	1,672	985	960	1,105	1,145
Low (kobo)	1,672	975	450	540	710
Market capitalisation (period-end)	32,117	28,093	24,779	20,889	27,372
Dividend per share (kobo)	65	64	10	120	65
Dividend per share (kobo) - adjusted	65	64	10	120	65
Earnings per share (kobo)	160	140	52	(87)	81
Earnings per share (kobo) - adjusted	160	140	52	(87)	81
Net assets per share (kobo)	2,089	1,380	1,365	1,273	1,104
Dividend cover (times)	2.5	2.2	5.2	(0.7)	1.3