



UAC of Nigeria PLC
Unaudited Condensed Consolidated Financial Statements for the 3 month Period
ended 31 March 2022

UAC of Nigeria PLC
Unaudited condensed consolidated financial statements
for the 3 month period ended 31 March 2022

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UAC of Nigeria PLC

Statement on Investor Relations

UAC of Nigeria PLC has a dedicated investors' portal on its corporate website which can be accessed via this link: <https://www.uacnplc.com>. The Company's Group 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.

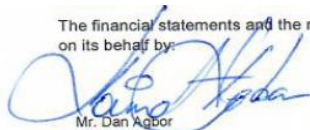
UAC of Nigeria PLC
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the 3 month period ended 31 March 2022

	Notes	3 months ended March 2022 N'000	3 months ended March 2021 N' 000
Continuing operations			
Revenue	3	27,665,698	22,021,794
Cost of sales	6	(22,590,283)	(18,010,234)
Gross profit		5,075,415	4,011,560
Other operating income	4	459,559	82,820
Impairment loss on financial assets	5	(2,874)	(17,148)
Selling and distribution expenses	6	(1,736,805)	(1,428,165)
Administrative expenses	6	(1,927,836)	(1,497,691)
Operating profit		1,867,459	1,151,376
Finance income	7	240,663	385,115
Finance cost	7	(1,150,665)	(290,046)
Net finance (cost)/income		(910,002)	95,069
Share of profit/(loss) from associates using the equity method	14	21,183	(218,259)
Profit before tax		978,640	1,028,187
Income tax expense	8	(336,540)	(359,627)
Profit after tax for the period from continuing operations		642,100	668,560
Discontinued operations			
Loss after tax for the period from discontinued operations	30	(3,355)	-
Profit for the period		638,745	668,560
Other comprehensive income:			
<i>Items not to be subsequently recycled to profit or loss</i>			
Net changes in fair value of financial assets	13	(11,500)	11,875
Share of other comprehensive (loss)/income of associates using the equity method	14	(48,593)	5,717
Other comprehensive (loss)/income for the period net of tax		(60,093)	17,592
Total comprehensive income for the period net of tax		578,652	686,152
Profit attributable to:			
Equity holders of the parent		516,720	341,280
Non controlling interests		122,025	327,280
		638,745	668,560
Total comprehensive income attributable to:			
Equity holders of the parent		456,627	358,872
Non controlling interests		122,025	327,280
		578,652	686,152
Earnings per share attributable to owners of the parent during the period (expressed in Kobo per share):			
Basic earnings per share			
From continuing operations (Kobo)	9	18	12
From discontinued operations (Kobo)	9	(0)	-
From profit for the period (Kobo)		18	12
Diluted earnings per share			
From continuing operations (Kobo)	9	18	12
From discontinued operations (Kobo)	9	(0)	-
From profit for the period (Kobo)		18	12

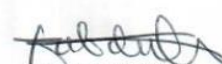
UAC of Nigeria PLC
Condensed Consolidated Statement of Financial Position
As at 31 March 2022

		31 March 2022	31 December 2021
	Notes	N' 000	N' 000
Assets			
Non-current assets			
Property, plant and equipment	10	22,389,711	22,223,664
Intangible assets and goodwill	11	1,659,049	1,519,649
Investment properties	12	3,397,080	3,470,685
Equity instrument at fair value through other comprehensive income	13	484,802	449,975
Investments in associates	14	8,464,036	8,491,446
Debt instrument at amortised cost	15	2,465,481	2,468,868
Right of use assets	17(a)	707,050	717,894
Trade and other receivables	19	2,668,174	2,676,292
Finance lease receivable	19.1	10,372	10,372
Total non-current assets		42,245,755	42,028,845
Current assets			
Refund asset	16	3,076	3,328
Inventories	18	50,491,017	36,213,523
Trade and other receivables	19	9,525,074	8,722,956
Finance lease receivable	19.1	3,300	3,300
Cash and cash equivalents	20	12,630,753	11,409,946
Total current assets		72,653,220	56,353,053
Non-current assets held for sale	30a	545,993	545,993
Assets of disposal group classified as held for distribution to owners	30c	3,865	3,865
Total assets		115,448,833	98,931,756
Equity and Liabilities			
Ordinary share capital	28	1,440,648	1,440,648
Share premium	28	14,174,606	14,174,606
Contingency reserve	28	69,571	69,571
Fair value reserve	28	155,752	215,845
Equity settled share based payment reserve	28	159,916	98,931
Other reserve	28	91,923	91,923
Retained earnings		30,406,671	29,889,951
Equity attributable to equity holders of the Parent		46,499,087	45,981,475
Non controlling interests		4,978,856	4,856,831
Total equity		51,477,943	50,838,306
Liabilities			
Non-current liabilities			
Lease liability	17(b)	273,923	271,009
Borrowings	21	2,208,074	339,723
Deferred tax liabilities	22	4,625,270	4,649,022
Employee benefits	27	72,296	72,296
Provisions	26	16,643	16,643
Total non-current liabilities		7,196,206	5,348,693
Current liabilities			
Current income tax liabilities	8	4,086,986	3,726,695
Refund liabilities	16	3,401	3,690
Lease liability	17	202,205	341,627
Current portion of borrowings	21	31,947,173	19,571,889
Trade and other payables	23	13,618,480	11,347,484
Contract liabilities	24	1,559,884	2,425,294
Dividend payable	25	5,193,036	5,193,036
Provisions	26	121,425	92,948
Total current liabilities		56,732,590	42,702,663
Liabilities of disposal group classified as held for distribution to owners	30c	42,094	42,094
Total liabilities		63,970,890	48,093,450
Total equity and liabilities		115,448,833	98,931,756

The financial statements and the notes on pages 6 to 30 were approved and authorised before issue by the board of directors on 29 April 2022 and were signed on its behalf by:


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


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


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

UAC of Nigeria PLC
Condensed Consolidated Statement of Changes in Equity
for the 3 month period ended 31 March 2022

Attributable to owners of the Company										
Notes	Share	Share	Contingency	Fair value	Other	Equity Settled	Retained	Non controlling		Total
	Capital	Premium	Reserve	Reserve	Reserve	Payment	Earnings	Total	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 2022	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
Profit for the period	-	-	-	-	-	-	516,720	516,720	122,025	638,745
Other comprehensive income	-	-	-	(60,093)	-	-	-	(60,093)	-	(60,093)
Net changes in equity settled share-based payment	-	-	-	-	-	60,985	-	60,985	-	60,985
Balance at 31 March 2022	1,440,648	14,174,606	69,571	155,752	91,923	159,916	30,406,671	46,499,087	4,978,856	51,477,943
Total equity at 1 January 2021	1,440,648	18,071,545	69,571	258,584	91,923	-	32,710,006	52,642,277	8,729,588	61,371,865
Profit for the period	-	-	-	-	-	-	341,280	341,280	327,280	668,560
Other comprehensive income	-	-	-	17,592	-	-	-	17,592	-	17,592
Balance at 31 March 2021	1,440,648	18,071,545	69,571	276,176	91,923	-	33,051,286	53,001,149	9,056,868	62,058,017

UAC of Nigeria PLC
Condensed Consolidated Statement of Cash Flows
for the 3 month period ended 31 March 2022

	Notes	31 March 2022 N' 000	31 March 2021 N'000
Cash flows from operating activities			
Cash generated used in operations	29	(11,659,159)	(12,019,572)
Corporate tax paid	8	-	(9,338)
Net cash flows used in operating activities		(11,659,159)	(12,028,910)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(787,723)	(533,310)
Purchase of intangible assets	11	(104,734)	(1,955)
Proceeds from sale of property, plant and equipment		8,788	38,148
Proceeds from disposal of investment properties		460,000	-
Investment in equity instruments measured at fair value through other comprehensive income	13	(46,824)	-
Refund from investment measured at fair value through other comprehensive income	13	497	-
Investment in debt instrument	15	(83,334)	(1,480,592)
Proceeds from mature debt instrument	15	-	1,614,253
Lease prepayment	17(a)	(87,895)	(44,396)
Interest received		212,332	249,115
Net cash flows used in investing activities		(428,892)	(158,737)
Cash flows from financing activities			
Repayment of lease liability principal	17(b)	(161,264)	(145,744)
Dividends paid to non-controlling interests	25	-	(52)
Proceeds from borrowings	21	21,572,940	14,143,092
Repayment of borrowings	21	(7,326,600)	(1,361,827)
Interest paid on loans	21	(776,217)	(208,780)
Net cash flows generated from financing activities		13,308,860	12,426,689
Cash & cash equivalents at the beginning of the year		11,410,811	24,302,566
Net increase in cash & cash equivalents		1,220,808	239,042
Cash & cash equivalents at the end of the period	20	12,631,619	24,541,608

UAC of Nigeria Plc
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

1. General information

UAC of Nigeria PLC ("the Company") is a company incorporated and domiciled in Nigeria. The Company is a public limited company listed on The Nigerian Exchange Limited and its registered office is at 1-5 Odunlami Street, Marina, Lagos.

UAC of Nigeria PLC and its subsidiaries (together "the Group") is a diversified business with activities in the following principal sectors: Animal Feeds and Other Edibles, Paints, Packaged Food and Beverages, Quick Service Restaurants, Logistics and Real Estate.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

This condensed consolidated financial statement for the period ended 31 March 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared on a historical cost basis except for investment property measured at fair value and financial instruments measured at fair value through other comprehensive income.

2.2 Accounting Policies

The accounting policies adopted are consistent with those for the period ended 31 December 2021.

2.3 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

2.4 Financial Risk Management

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. This condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2021. There have been no changes in the risk management structure since year end or in any risk management policy.

2.5 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) UAC of Nigeria PLC maintains an effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

2.6 Management Assessment of Internal Control

The management of UAC of Nigeria PLC and its subsidiary companies are responsible for establishing and maintaining adequate internal control over financial reporting. The group's internal control system was designed to provide reasonable assurance to the Board of Directors regarding the preparation and fair representation of published financial statements. The Group's internal controls were assessed within the reporting period and were deemed to be effective as of 31 March 2022.

2.7 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the condensed consolidated financial statements of the Group.

2.8 Reclassifications in the comparative statement of financial position for the year ended 31 December 2021

Certain reclassifications were made to balances reported in the comparative statement of financial position as at 31 December 2021. The reclassifications were made to achieve fairer presentation and had no impact on the profit for the year and equity as previously reported. Further details are shown below.

(a) Debt instruments at amortized cost (Note 15a)

An amount of N171 million representing the unamortized premium on Eurobonds which was previously reported as trade and other receivables in the statement of financial position has been reclassified to debt instruments at amortized cost.

(b) Trade and Other receivables (Note 19)

An other payables balance of N468 million which was previously offset against other receivables in trade and other receivables in the statement of financial position has been reclassified to trade and other payables.

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

3. 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 a business unit involved in the manufacturing and sale of decorative and protective paints.

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.

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 from third parties
- Operating profit
- Profit before tax
- Property, plant and equipment
- Net assets

	Animal Feeds & Other Edibles N' 000	Paints N' 000	Packaged Food & Beverages N' 000	QSR N' 000	Others N' 000	Total N' 000
31 March 2022						
Revenue from contracts with customers	16,543,977	4,655,782	6,486,350	591,407	854	28,278,370
Rental income	-	-	-	-	228,432	228,432
Total Revenue	16,543,977	4,655,782	6,486,350	591,407	229,286	28,506,802
Intergroup revenue	(637,166)	(621)	(23,369)	-	(179,948)	(841,104)
Revenue from third parties	15,906,811	4,655,161	6,462,981	591,407	49,338	27,665,698
Operating profit/(loss)	636,748	760,085	432,808	(136,983)	174,801	1,867,459
Profit/(loss) before tax	(129,830)	781,325	338,272	(166,642)	155,515	978,640
Loss after tax for the year from discontinued operations	-	-	-	-	(3,355)	(3,355)
Property, plant and equipment	12,579,769	1,808,214	6,599,653	485,965	916,110	22,389,711
Net assets	17,969,764	4,941,089	8,638,409	(323,189)	20,251,870	51,477,943

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

	Animal Feeds & Other Edibles N' 000	Paints N' 000	Packaged Food & Beverages N' 000	QSR N' 000	Others N' 000	Total N' 000
31 March 2021						
Revenue from contracts with customers	14,016,207	2,569,494	5,900,520	454,520	205,545	23,146,286
Rental income	-	-	-	-	5,564	5,564
Total Revenue	14,016,207	2,569,494	5,900,520	454,520	211,109	23,151,850
Intergroup revenue	(625,461)	(360,243)	(5,614)	-	(138,738)	(1,130,056)
Revenue from third parties	13,390,746	2,209,251	5,894,906	454,520	72,371	22,021,794
Operating profit/(loss)	562,141	254,606	479,233	(20,879)	(123,725)	1,151,376
Profit / (Loss) before tax	349,735	321,030	463,634	(21,971)	(84,241)	1,028,187
Property, plant and equipment	12,269,263	1,401,550	6,123,109	329,049	884,826	21,007,797
Net assets	18,491,435	5,232,020	7,755,028	335,897	30,243,636	62,058,016

Entity wide information

	31 March 2022	31 March 2021
Analysis of revenue by category:	N'000	N'000
Revenue from contracts with customers	27,437,266	22,016,230
Rental income	228,432	5,564
	27,665,698	22,021,794
Analysis of revenue by geographical location:	N'000	N'000
Nigeria	27,665,698	22,021,794
Others	-	-
	27,665,698	22,021,794

Concentration risk

The Group is not exposed to any concentration risk, as there is no single customer with a contribution to total revenue of more than 10%.

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

Disaggregated Revenue
Group

Segments	For the period ended 31 March 2022					
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	15,906,811	4,655,161	6,462,981	591,407	-	27,616,360
Rendering of service	-	-	-	-	49,338	49,338
Total	15,906,811	4,655,161	6,462,981	591,407	49,338	27,665,698
Geographical Markets						
Nigeria	15,906,811	4,655,161	6,462,981	591,407	49,338	27,665,698
Outside Nigeria	-	-	-	-	-	-
Total	15,906,811	4,655,161	6,462,981	591,407	49,338	27,665,698
Timing of revenue						
Goods transferred at a point in time	15,906,811	4,655,161	6,462,981	591,407	-	27,616,360
Services transferred over time	-	-	-	-	49,338	49,338
	15,906,811	4,655,161	6,462,981	591,407	49,338	27,665,698

Segments	For the period ended 31 March 2021					
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	13,390,746	2,209,251	5,894,906	454,520	-	21,949,423
Rendering of service	-	-	-	-	72,371	72,371
Total	13,390,746	2,209,251	5,894,906	454,520	72,371	22,021,794
Geographical Markets						
Nigeria	13,390,746	2,209,251	5,894,906	454,520	72,371	22,021,794
Outside Nigeria	-	-	-	-	-	-
Total	13,390,746	2,209,251	5,894,906	454,520	72,371	22,021,794
Timing of revenue						
Goods transferred at a point in time	13,390,746	2,209,251	5,894,906	454,520	-	21,949,423
Services transferred over time	-	-	-	-	72,371	72,371
	13,390,746	2,209,251	5,894,906	454,520	72,371	22,021,794

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

4 Other operating income

	31 March 2022	31 March 2021
	N' 000	N' 000
Profit on sales of property, plant and equipment	1,038	1,689
Profit on sale of investment property (Note 12)	386,395	-
Rental income (a)	825	2,496
Other income (b)	71,301	78,634
Total other operating income	459,559	82,820

(a) Rental Income

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

(b) Other income

	31 March 2022	31 March 2021
	N' 000	N' 000
Management fees	36,138	44,203
Sale of scrap, used bags and by products	33,761	32,392
Other trading income	1,402	2,039
	71,301	78,634

5 Impairment loss on financial assets

	31 March 2022	31 March 2021
	N'000	N'000
Impairment loss on trade receivables (Note 19)	(3,334)	(17,114)
Writeback/(impairment loss) on other financial assets	460	(34)
Impairment loss on financial asset	(2,874)	(17,148)

6 (a) Expenses by nature

	31 March 2022	31 March 2021
	N' 000	N' 000
Changes in inventories of finished goods and work in progress	19,634,000	15,518,389
Write off of inventories to net realisable value	31,007	10,182
Personnel expenses	2,414,064	2,047,731
Depreciation charge on property, plant and equipment	575,673	503,353
Depreciation charge on right-of-use asset	98,739	94,855
Amortisation of intangibles	3,588	11,416
Royalty fees	142,708	84,736
Rents & rates	57,721	59,397
Electricity & power	769,392	545,832
Vehicles repairs, maintenance & fueling	159,583	111,886
Other repairs & maintenance	241,532	275,445
Auditors' remuneration	32,917	33,638
Information technology charge	159,537	87,170
Legal and professional expenses	171,625	195,100
Donations & subscriptions	27,017	23,112
Insurance	62,194	57,764

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

6(a) Expenses by nature (continued)

	31 March 2022	31 March 2021
	N' 000	N' 000
Distribution expenses	829,847	739,461
Marketing, advertising & communication	312,998	132,396
Hire of equipment	39,661	21,282
Catering expenses	64,388	56,295
Cleaning, laundry & sanitation	41,520	37,212
Levies, licenses & permit	16,676	31,727
Security	70,478	56,619
Travelling expenses	125,773	52,838
AGM expenses	14,147	8,839
Bank charges	22,991	22,733
Stationery and printing	16,441	19,512
Uniform and safety kit	7,760	5,668
Casual wages	17,074	5,066
Training and recruitment expenses	4,554	9,424
Project expense	9,697	9,520
Entertainment expense	5,915	1,535
Corporate gifts	28,702	20,220
Sundry office expenses (c)	45,007	45,736
	26,254,924	20,936,090

(b) Expenses by Function

Analysed as:

Cost of sales	22,590,283	18,010,234
Selling and distribution expenses	1,736,805	1,428,165
Administrative expenses	1,927,836	1,497,691
	26,254,924	20,936,090

(c) Sundry office expenses comprise of the following:

	31 March 2022	31 March 2021
	N' 000	N' 000
VAT on commercial service fees	8,722	5,301
Other miscellaneous expenses	36,285	40,435
	45,007	45,736

7. Net finance (cost)/income

	31 March 2022	31 March 2021
	N' 000	N' 000
Interest income on short-term bank deposits	137,339	179,573
Interest income on bonds	44,050	141,045
Interest income on loans	59,274	25,445
Total interest income	240,663	346,063
Exchange gain	-	39,052
Finance Income	240,663	385,115
Interest on bank loans (Note 21)	(773,512)	(208,780)
Interest expense on lease liability (Note 17(b))	(24,756)	(28,744)
Total interest cost	(798,268)	(237,524)
Amortisation of premium on bonds (Note 15)	(16,485)	(29,352)
Exchange loss	(335,912)	(23,170)
Finance cost	(1,150,665)	(290,046)
Net finance (cost)/income	(910,002)	95,069

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 3 month period ended 31 March 2022

8. Current income tax liabilities

	31 March 2022	31 December 2021
	N'000	N'000
Opening balance	3,726,695	3,814,160
Income tax expense	360,291	1,340,590
Withholding tax credit notes utilised	-	(149,956)
Payment during the period	-	(1,278,099)
	4,086,986	3,726,695

9. 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 period.

	31 March 2022	31 March 2021
	N' 000	N' 000
Profit attributable to ordinary equity shareholders:		
Profit from continuing operations	519,628	341,280
Loss from discontinued operations	(2,908)	-
Profit for the period	516,720	341,280

Earnings per share attributable to owners of the parent during the period (expressed in kobo per share):

Basic earnings per share

From continuing operations (Kobo)	18	12
From discontinued operations (Kobo)	(0)	-
From profit for the period (Kobo)	18	12

(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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10. Property, plant and equipment

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 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	90,332	1,639,112	3,466,327
Disposals	(126,565)	(103,780)	(32,118)	(253,547)	(20,765)	(6,814)	(543,588)
Transfer	29,102	486,345	4,664	-	408	(506,137)	14,382
Write off	-	(41,542)	(321,845)	-	(45,627)	-	(409,013)
Reclassifications	139,535	158,375	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	1,043,076	3,184,443	38,976,029
At 1 January 2022	8,904,872	21,202,972	1,176,803	3,463,863	1,043,076	3,184,443	38,976,029
Additions	12,531	183,292	22,189	184,218	46,997	338,496	787,723
Disposals	-	(9,007)	(1,144)	(63,386)	(2,701)	-	(76,238)
Transfer to intangible asset	-	-	-	-	-	(38,254)	(38,254)
Reclassifications	4,274	317,843	2,738	7,453	38,980	(371,289)	-
At 31 March 2022	8,921,677	21,695,100	1,200,586	3,592,148	1,126,352	3,113,397	39,649,261
Accumulated depreciation and impairment							
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	-	2,138,969
Impairment charge	-	-	-	-	-	-	-
Disposals	(105,418)	(94,762)	(30,124)	(200,608)	(19,524)	-	(450,437)
Transfers	-	-	1,227	-	-	-	1,227
Reclassifications	-	(41,508)	(321,286)	-	(45,317)	-	(408,112)
At 31 December 2021	2,200,953	11,243,065	861,702	1,732,691	701,953	12,000	16,752,365
At 1 January 2022	2,200,953	11,243,065	861,702	1,732,691	701,953	12,000	16,752,365
Charge for the period	41,027	355,700	29,084	125,481	24,381	-	575,673
Disposals	-	(8,980)	(717)	(56,831)	(1,958)	-	(68,488)
At 31 March 2022	2,241,980	11,589,785	890,069	1,801,341	724,376	12,000	17,259,550
Net book values:							
At 31 March 2022	6,679,697	10,105,315	310,517	1,790,808	401,976	3,101,397	22,389,711
At 31 December 2021	6,703,919	9,959,907	315,101	1,731,172	341,122	3,172,443	22,223,664

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11. Intangible assets and goodwill

	Goodwill	Brands & Trade Marks	Software	Capital Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000
At 1 January 2021	548,747	1,070,185	844,879	4,620	2,468,432
Additions - externally acquired during the year	-	-	3,710	142,059	145,769
Transfer	-	-	5,811	28,819	34,630
Reclassifications	-	-	(764)	-	(764)
At 31 December 2021	548,747	1,070,185	853,636	175,498	2,648,066
At 1 January 2022	548,747	1,070,185	853,636	175,498	2,648,066
Additions - externally acquired during the period	-	-	-	104,734	104,734
Transfers	-	-	38,254	-	38,254
At 31 March 2022	548,747	1,070,185	891,890	280,232	2,791,054
Accumulated amortisation					
At 1 January 2021	-	288,439	806,771	-	1,095,210
Amortisation for the year	-	-	33,208	-	33,208
At 31 December 2021	-	288,439	839,979	-	1,128,417
At 1 January 2022	-	288,439	839,979	-	1,128,417
Amortisation for the period	-	-	3,588	-	3,588
At 31 March 2022	-	288,439	843,567	-	1,132,005
Net book values					
At 31 March 2022	548,747	781,747	48,323	280,232	1,659,049
At 31 December 2021	548,747	781,747	13,657	175,498	1,519,649

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12 . Investment properties

Fair value	Freehold building N' 000	Leasehold land & building N' 000	Total investment properties N' 000
At 1 January 2022	-	3,470,685	3,470,685
Disposals	-	(73,605)	(73,605)
At 31 March 2022	-	3,397,080	3,397,080
At 1 January 2021	303,712	2,331,287	2,634,999
Transfer to asset held for sale	(303,712)	-	(303,712)
Net gain from fair value adjustments on investment properties	-	1,139,398	1,139,398
At 31 December 2021	-	3,470,685	3,470,685

Fair value of investment properties is categorised as follows:

31 December 2021	Freehold building N' 000	Leasehold land & building N' 000	Total investment properties N' 000
External valuation	-	3,470,685	3,470,685
	-	3,470,685	3,470,685

The Group's investment properties were valued at 31 December 2021 by Ibukun Efundayo & 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.

13. Equity instrument at fair value through other comprehensive income

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

	31 March 2022 N' 000	31 December 2021 N' 000
Opening balance	449,975	188,125
Additions	46,824	221,850
Inflow from Kandua (a)	(497)	-
Fair value (loss)/gain (b)	(11,500)	40,000
Closing balance	484,802	449,975

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

	Fair value as at 31 March 2022	Fair value as at 31 December 2021	Dividend Income Recognised in 2022	Dividend Income Recognised in 2021
Investment in Central Securities Clearing System (CSCS) PLC	216,625	228,125	-	14,625
Investment in:				
Kandua	108,253	108,750	-	-
Ventures Platform IV GP Limited	46,824	-	-	-
Investment in Unicorn Growth Capital LLC	113,100	113,100	-	-
	484,802	449,975	-	14,625

(a) Inflow from Kandua

In December 2021, UACN subscribed for shares in Kandua. The inflow represents a refund from Kandua to UACN equal to the value of fractional Kandua shares which were not issued and allotted to UACN.

(b) Fair value (loss)/gain

The fair value (loss)/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).

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14. Investment in associates

Set out below are the associates of the Group as at 31 March 2022. The associates as listed below have share capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associates:

	Country of incorporation	31 March 2022 N'000	31 December 2021 N'000
UPDC PLC	Nigeria	42.85%	42.85%
MDS Logistics	Nigeria	43.00%	43.00%

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

	31 March 2022 N'000	31 December 2021 N'000
Opening balance	8,491,446	13,018,568
Share of profit/(loss)	21,183	(895,436)
Share of other comprehensive loss	(48,593)	(60,026)
Reclassified to non-current assets held for sale/distribution (a)	-	(3,571,660)
Closing balance	8,464,036	8,491,446

(a) Reclassification to non-current assets held for sale/distribution

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 30).

(b) Summarised financial information for associates

Set out below are the summarised financial information for the associates accounted for using the equity method.

		Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000
31 March 2022					
UPDC PLC		672,912	18,549,967	5,584,190	5,613,210
MDS Logistics Ltd		6,561,449	3,756,768	4,367,105	1,313,509
31 March 2022					
	Revenue N'000	Profit/(loss) from continuing operations N'000	Profit/(loss) from discontinued operations N'000	Other comprehensive income N'000	Total comprehensive income N'000
UPDC PLC	780,780	129,539	(8,728)	(113,401)	7,410
MDS Logistics Ltd	2,218,548	(55,509)	-	-	(55,509)
31 December 2021					
UPDC PLC		790,400	18,805,832	5,584,190	5,993,974
MDS Logistics Ltd		5,950,199	3,320,549	2,993,873	1,491,216
31 March 2021					
	Revenue N'000	Profit/(loss) from continuing operations N'000	Profit/(loss) from discontinued operations N'000	Other comprehensive income N'000	Total comprehensive income N'000
UPDC PLC	72,438	(409,233)	10,138	13,341	(385,754)
MDS Logistics Ltd	2,046,406	(88,890)	-	-	(88,890)

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	31 March 2022	31 December 2021
	N' 000	N' 000
15a. Debt instruments at amortised cost		
Opening balance	2,476,184	2,253,499
Additions during the period	83,334	2,056,696
Settlements during the period	-	(1,902,273)
Coupon accrued	44,050	301,180
Coupon received	(15,720)	(229,249)
Premium on bonds amortised to P/L	(16,485)	(129,948)
Exchange (loss)/gain on revaluation	(98,566)	126,280
Gross investment in debt	2,472,797	2,476,184
Expected credit loss	(7,316)	(7,316)
Closing balance	2,465,481	2,468,868

15b. Finance cost on debt instruments at amortised cost

	31 March 2022	31 December 2021
	N' 000	N' 000
Coupon received	15,720	229,249
Premium amortised to P/L	16,485	129,948
	32,205	359,197

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 in 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 N7,316,103 (2021: N7,316,103).

31 March 2022

Bond type	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
B-/Fitch ETI 2031	85,504	-	-	85,504
B-/S&P; B-/Fitch Ecobank 2026	444,375	-	-	444,375
B-/S&P; B-/FitchUBA 2022	218,792	-	-	218,792
B-/S&P; B-/Fitch SEPLAT 2026	223,960	-	-	223,960
B-/S&P; B-/Fitch FIDBAN 2022	362,925	-	-	362,925
B2/Moody's; B/S&P; B+/Fitch FGN 2025	981,844	-	-	981,844
	2,317,400	-	-	2,317,400
Premium on bonds	155,397	-	-	155,397
Total	2,472,797	-	-	2,472,797

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
	2,304,302	-	-	2,304,302
Premium on bonds	171,882	-	-	171,882
Total	2,476,184	-	-	2,476,184

Movement in Expected Credit Loss (ECL)	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
At 1 January 2022	7,316	-	-	7,316
Additions during the period	-	-	-	-
At 31 March 2022	7,316	-	-	7,316
At 1 January 2021	31,070	-	-	31,070
Writeback during in the year	(23,754)	-	-	(23,754)
At 31 December 2021	7,316	-	-	7,316

16. Right of return assets and refund liabilities

	31 March 2022	31 December 2021
	N' 000	N' 000
Right of return assets	3,076	3,328
Refund liabilities		
- Arising from rights of return	3,401	3,690
	3,401	3,690

16. Right of return assets and refund liabilities (continued)

Right of return of assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting year. Refer to above accounting policy on variable consideration.

17(a). 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 2021	464,102	40,887	504,989
Additions	352,226	252,580	604,807
Depreciation expenses	(211,561)	(156,653)	(368,215)
Lease termination	(23,687)	-	(23,687)
At 31 December 2021	581,080	136,814	717,894
At 1 January 2022	581,080	136,814	717,894
Additions	87,895	-	87,895
Depreciation expenses	(67,167)	(31,573)	(98,739)
Lease termination	-	-	-
At 31 March 2022	601,807	105,242	707,050

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

	31 March 2022	31 December 2021
	N' 000	N' 000
17(b). Lease Liability		
Opening balance	612,636	475,317
Accretion interest	24,756	122,505
Additions during the period	-	578,981
Payment of principal	(161,264)	(539,009)
Interest payment	-	-
Lease terminated	-	(25,158)
Closing balance	476,128	612,636
Current	202,205	341,627
Non-current	273,923	271,009
	476,128	612,636

18. Inventories

	31 March 2022	31 December 2021
	N' 000	N' 000
Raw materials and consumables	41,041,183	27,197,637
Technical stocks and spares	3,435,895	5,746,789
Finished goods and goods for resale	6,485,889	3,903,046
	50,962,967	36,847,472
Write down to net realisable value	(471,950)	(633,949)
	50,491,017	36,213,523

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19. Trade and other receivables

	31 March 2022	31 December 2021
	N' 000	N' 000
Trade receivables	2,500,080	1,819,831
Less: allowance for impairment of trade receivables	(658,864)	(716,136)
Net trade receivables	1,841,216	1,103,695
Receivables from associates	120,087	53,789
Loan receivable from associate	2,668,944	2,668,944
Allowance for impairment of receivables from associates	(16,632)	(16,632)
Other receivables	1,076,732	857,059
Advance payments	3,662,944	3,923,162
WHT receivable	511,721	479,908
Prepayments - staff grants	103,490	86,828
Prepayments- Other	2,224,746	2,242,497
	12,193,248	11,399,249

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.

	31 March 2022	31 December 2021
	N' 000	N' 000
Trade and other receivables - Current	9,525,074	8,722,957
Trade and other receivables - Non-current	2,668,174	2,676,292
Total prepayments	12,193,248	11,399,249

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

	31 March 2022	31 December 2021
	N' 000	N' 000
Opening balance	716,136	1,191,031
Expected credit loss allowance	3,334	100,627
Amount written off	(60,606)	(575,523)
Closing balance	658,864	716,136

Movements in the allowance for impairment of receivables from associates

	31 March 2022	31 December 2021
	N' 000	N' 000
Opening balance	16,632	29,071
Expected credit loss allowance	-	(12,439)
Impairment loss no longer required	-	-
Closing balance	16,632	16,632

	31 March 2022	31 December 2021
	N' 000	N' 000
19.1 Finance lease receivable		
Gross investment in lease	83,600	83,600
Unearned finance income	(69,928)	(69,928)
	13,672	13,672

	31 March 2022	31 December 2021
	N' 000	N' 000
Current asset	3,300	3,300
Non-current asset	10,372	10,372
Total finance lease receivable	13,672	13,672

The Group has finance lease for a warehouse to a related party, MDS Logistics. The lease is for a total period of 51 years; of this period 41 years remain in the contract. The property reverts to the Group at the end of the lease period.

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20. Cash and cash equivalents

	31 March 2022	31 December
	N' 000	2021
	N' 000	N' 000
Cash at bank and in hand	4,123,376	1,150,875
Short-term deposits	8,269,892	10,018,231
Expected credit loss on short term deposit	(866)	(866)
Cash at banks and short term deposits attributable to discontinued operations	238,351	241,706
Cash and short-term deposits	12,630,753	11,409,946

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 which represents unclaimed dividends received from the registrars as at 31 March 2022 (2021: ₦4.69 bn).

The Finance Act 2020, which became effective on 1 January 2021, requires public limited liability companies quoted on the Nigerian Exchange Limited to transfer any unclaimed dividend that has remained unclaimed for a year 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:

	31 March 2022	31 December
	N' 000	2021
	N' 000	N' 000
Cash at bank and in hand	4,123,376	1,150,875
Short-term deposits	8,269,892	10,018,231
Cash at banks and short term deposits attributable to discontinued operations	238,351	241,706
Balances per statement of cash flow	12,631,619	11,410,812

21. Borrowings

	31 March 2022	31 December
	N' 000	2021
	N' 000	N' 000
Current borrowings		
Loans due within one year (note 21(i))	31,947,173	19,571,889
	31,947,173	19,571,889
Non-current borrowings		
Loans due after one year (note 21(ii))	2,208,074	339,723
Total borrowings	34,155,247	19,911,612
Opening balance	19,911,612	4,238,957
Repayment of borrowing during the year	(7,326,600)	(30,957,284)
Government grant no longer required	-	267,383
Interest on loans	773,512	1,353,466
Interest paid	(776,217)	(1,099,038)
Additions	21,572,940	46,108,128
Closing balance	34,155,247	19,911,612

The above borrowings are denominated in Naira.

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21. Borrowings (continued)

The borrowings are repayable as follows:

	31 March 2022	31 December 2021
	N' 000	N' 000
Within one year	31,947,173	19,571,889
Between one to two years	2,208,074	339,723
	34,155,247	19,911,612

(i) Loans due within one year

Bank	Effective Interest Rate	31 March 2022	31 December 2021	Maturity date	Security
		N' 000	N' 000		
Eco Bank	8.0%	-	1,528,097	Feb-22	No security
First Bank of Nigeria Ltd	8%(5%)	15,164,297	10,308,518	Sep-22	No security
First Bank of Nigeria Ltd - Commercial loan	11.5%	6,350,770	5,652,074	Oct-22	No security
Zenith bank - Commercial loan	13.0%	800,000	2,077,030	Sep-22	No security
FSDH	0.0%	197,206	6,170	Jun-22	Negative pledge
Union Bank of Nigeria - CBN CACS FUND	5.0%	2,000,000	-	Feb-23	No security
Zenith bank - (Produce loan)	10.5%	7,434,900	-	Dec-22	No security
		31,947,173	19,571,889		

The above borrowings are denominated in Naira.

(ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	31 March 2022	31 December 2021	Maturity date	Security
		N' 000	N' 000		
Facility					
First Bank of Nigeria Ltd - CBN DCRR Facility	5.0%	1,859,000	-	Jan-27	No Security
Famous Brands Limited**	12.0%	349,074	339,723	May-26	No Security
		2,208,074	339,723		

**In 2021, 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.

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22. Deferred Tax

The analysis of deferred tax liabilities is as follows:

	31 March 2022	31 December 2021
	N'000	N'000
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	(4,625,270)	(4,649,022)
Deferred tax liabilities	(4,625,270)	(4,649,022)
Net Deferred tax liabilities	(4,625,270)	(4,649,022)

The gross movement on the deferred income tax account is as follows:

	31 March 2022	31 December 2021
	N'000	N'000
Opening balance	(4,649,022)	(4,466,397)
Credited to profit or loss	23,752	-
Reclassification of deferred tax asset to deferred tax liability	-	(178,625)
Credited to other comprehensive income	-	(4,000)
Closing balance	(4,625,270)	(4,649,022)

The Group has tax losses of ₦156,869,000 (2021: ₦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 subsidiaries 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.

Deferred tax liabilities	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 2021	4,022,481	(144,878)	(54,134)	8,119	72,717	1,015,333	(414,588)	4,505,050
Reclassification from deferred tax asset	86,140	(124,793)						(38,653)
Charged/(credited) 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
At 1 January 2022	4,833,361	(602,581)	(89,795)	49,195	111,774	347,068	-	4,649,022
(Credited)/charged to profit or loss	-	(23,879)	-	127	-	-	-	(23,752)
At 31 March 2022	4,833,361	(626,460)	(89,795)	49,322	111,774	347,068	-	4,625,270

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23. Trade and other payables

	31 March 2022	31 December 2021
	N' 000	N' 000
Trade payables	6,484,285	5,821,213
Other payables	1,918,839	1,196,085
WHT payable	595,724	566,608
VAT payable	247,960	265,227
PAYE payable	47,106	43,776
Accruals	4,324,566	3,454,575
Total	13,618,480	11,347,484

Terms and conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled between 30 and 60-day terms. Other payables are non-interest bearing and have an average term of 6 months.

Other payables houses balances for trade creditors and payables to vendors.

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

24. Contract liabilities

	31 March 2022	31 December 2021
	N' 000	N' 000
Opening balance	2,425,294	1,340,627
Deferred during the period/year	665,039	2,462,336
Refund	-	(190)
Released to the statement of profit or loss	(1,530,449)	(1,377,479)
Closing balance	1,559,884	2,425,294

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.

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25. Dividend payable

	31 March 2022	31 December 2021
	N' 000	N' 000
Opening balance	5,193,036	6,084,307
Dividend declared	-	4,388,282
Dividend paid during the year to NCI	-	(936,328)
Dividend paid during the year to equity holders of the parent company	-	(3,457,556)
Reclassification to withholding tax payable	-	(752,683)
Unclaimed dividend refunded	-	(132,986)
Closing balance	5,193,036	5,193,036

26. Provisions

The Group	Provisions	Legal claim	Decommissioning liability	Total
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
At 1 January 2022	3,000	89,948	16,643	109,591
Reclassification from other payables (b)		114,877		114,877
Derecognised on payment (a)	-	(86,400)	-	(86,400)
31 March 2022	3,000	118,425	16,643	138,068
Current	3,000	118,425	-	121,425
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.

(a) Derecognition of provision

Derecognition of provision relates to dispute settlement amount of NGN 87.4million paid by UAC of Nigeria PLC as final settlement for a dispute between the Company and a Counterparty that commenced in 2011.

(b) Reclassification from other payables

The provision for judgement debt for a subsidiary was reclassified from trade and other payables to provision for fairer presentation.

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 ₦3.48billion for the Group.

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 financial statements except as disclosed in Note 26.

27 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;

	31 March 2022 N' 000	31 December 2021 N' 000
Service cost	-	9,198
Interest cost	-	7,111
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	-	(28,755)
- Experience adjustments	-	7,432
	-	(5,014)

Movement in the present value of long service awards

	The Group	
	31 March 2022 N' 000	31 December 2021 N' 000
Opening defined benefit obligation	72,286	94,403
Current service cost	-	9,188
Benefit paid	-	(9,661)
Interest cost	-	7,111
Actuarial (gains/losses)	-	(28,755)
	72,286	72,286

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28. Equity
Share capital

	31 March 2022		31 December 2021	
	Number 000	Amount N' 000	Number 000	Amount N' 000
Authorised:				
Ordinary Shares of 50k each	3,000,000	1,500,000	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000	400,000	200,000
Total authorised share capital	3,400,000	1,700,000	3,400,000	1,700,000
Issued and fully paid:				
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648
Total called up share capital	2,881,296	1,440,648	2,881,296	1,440,648

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

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.

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29. Reconciliation of profit before tax to cash used in operations

	Note	31 March 2022 N' 000	31 March 2021 N' 000
Profit before tax from continuing operations		978,640	1,028,187
(Loss)/profit before tax from discontinued operations		(3,355)	-
Adjustment for net finance cost/(income)	7	574,090	(108,539)
Operating profit		1,549,375	919,648
<i>Adjustments to reconcile operating profit to net cash flows</i>			
Amortisation of intangible assets	6	3,588	11,416
Depreciation charge on property, plant and equipment	6	575,673	503,353
Depreciation charge on right of use asset	6	98,739	94,855
Profit on sale of investment properties	4	(386,395)	-
Write off of inventories to net realisable value	6	31,007	10,182
Expected credit loss on trade receivables and other receivables	5	2,874	17,114
Effects of exchange rate changes	15	98,566	23,501
Share of (profit)/loss in associate	14	(21,183)	218,259
Share based payment expense		60,985	-
Profit on sale of property, plant and equipment	4	(1,038)	(1,689)
Operating cash flows before movements in working capital		2,012,192	1,796,638
Movements in working capital:			
Changes in inventories		(14,308,503)	(13,863,634)
Changes in trade and other receivables and prepayments		(796,873)	(1,244,840)
Changes in contract liabilities		(865,410)	223,139
Changes in trade and other payables		2,270,996	1,155,318
Changes in right of return asset		252	-
Changes in refund liability		(289)	(4,437)
Changes in provision		28,477	(81,757)
		(13,671,351)	(13,816,211)
Net cash used in operations		(11,659,159)	(12,019,572)

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30a. Non-current assets held for sale/distribution

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. 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 (2022: N242,284,000) .

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.

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

	31 March 2022	31 December
	N'000	2021
		N'000
Opening balance	545,993	265,496
Transfer from investment in associates (UPDC REIT)	-	3,571,660
Transfer (to)/from PPE	-	(13,155)
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>545,993</u>

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30b. Disposal group held for distribution to owners

UNICO CPFA Limited (UNICO)

Members of UNICO CPFA, at an Extra-Ordinary General Meeting, approved the voluntary winding up of the 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.

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

	UNICO 31 March 2022 N'000	TOTAL 31 March 2022 N'000	UNICO 31 December 2021 N'000	TOTAL 31 December 2021 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	-	-	-	-
	-	-	-	-
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

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

	UNICO	TOTAL	UNICO	TOTAL
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	N'000	N'000	N'000	N'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Administrative expenses	(3,355)	(3,355)	-	-
Operating profit	(3,355)	(3,355)	-	-
Finance income	-	-	-	-
Finance cost	-	-	-	-
Net finance cost	-	-	-	-
Loss before tax	(3,355)	(3,355)	-	-
Income tax expense	-	-	-	-
Loss after tax	(3,355)	(3,355)	-	-
Profit/(loss) from discontinued operations	-	-	-	-
Loss for the period	(3,355)	(3,355)	-	-
Other Comprehensive income	-	-	-	-
Total comprehensive loss for the period net of tax	(3,355)	(3,355)	-	-

Cashflows from discontinued operations:

The net cash flows incurred are as follows:

	UNICO	TOTAL	UNICO	TOTAL
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	N'000	N'000	N'000	N'000
Operating	(3,355)	(3,355)	-	-
Investing	-	-	-	-
Financing	-	-	-	-
Net cash outflows	(3,355)	(3,355)	-	-