



# ANNUAL REPORT

---

## 2021

# BUILDING VALUABLE AND SUSTAINABLE BUSINESSES

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

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

7  
companies



6  
sectors



3  
strategic  
partnerships



# CONTENTS

<b>5</b>	UACN Today
<b>8</b>	Corporate Profile
<b>11</b>	Results at a Glance
<b>12</b>	Chairman's Statement
<b>16</b>	Group Managing Director's Report
<b>21</b>	Segmental Performance Report
<b>24</b>	Notice of Annual General Meeting
<b>29</b>	Explanatory Memorandum for Shareholders of UAC of Nigeria PLC
<b>32</b>	Directors, Officers and Professional Advisers
<b>34</b>	Profile of Directors
<b>40</b>	Leadership Profiles: Subsidiary and Associate Companies
<b>43</b>	Directors' Report
<b>54</b>	Human Resources Report
<b>57</b>	Sustainability Report
<b>61</b>	Risk Management
<b>65</b>	Financial Statements
<b>188</b>	Unclaimed Dividends
<b>189</b>	Share Capital History
<b>192</b>	List of Distributors and Key Locations
<b>204</b>	Proxy Form
<b>209</b>	Scrip Dividend Election Form
<b>210</b>	Registrar's Forms

Supreme

NEW

EXCITING  
LOOK



...SAME YUMMY TASTE.

UAC FOODS



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

Agro-Allied	Packaged Food and Beverages	Paints	Quick Service Restaurants
			
			
			
			
			
			



# Swan

NATURAL SPRING WATER

Nature's gift for  
healthy living

- 💧 No chemical additives
- 💧 Naturally fortified with Calcium and Magnesium for healthy bones.





## FIVE PILLARS FOR VALUE CREATION



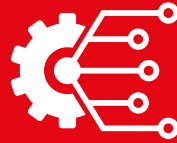
### People

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



### Capital

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



### Technology

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



### Sustainability

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



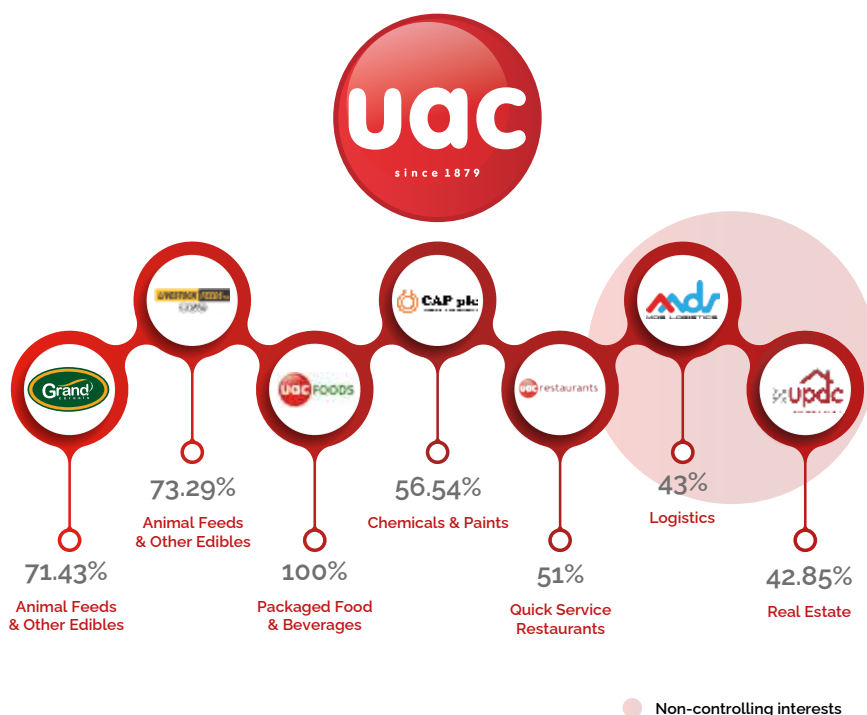
### Governance and Controls

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

## CORPORATE PROFILE

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

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



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

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

**UACN has five subsidiaries and two associate companies operating in six sectors.**

### Animal Feeds and Other Edibles

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

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

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

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

## Paints

Our presence in the paints segment is through Chemical and Allied Products PLC ("CAP"). Our investment in the paints sector is aimed at harnessing growth opportunities, with key growth drivers including rising urbanisation, which will drive growth in the decorative paints sub-sector; and increased industrialisation, supporting growth in the industrial paints and coating sub-sector.

CAP (56.54% ownership) is the leading player in the premium paints segment, also the sole technological licensee for AkzoNobel's decorative range in Nigeria. It is also a distributor for Hempel's industrial products in Nigeria. Brand portfolio includes Dulux, Sandtex, Caplux and Hempel. The company benefits from a unique distribution model - franchised retail outlets, which it pioneered in Nigeria's paint industry. CAP is listed on NGX.

In 2021, UACN's paints businesses (CAP and Portland Paints and Products Nigeria PLC) concluded a business combination via a merger that was effective on 1 July 2021. As a result, CAP and Portland Paints now operate as one legal entity.

## Packaged Food and Beverages

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

UFL (100% ownership) is a leader in the snacks, dairy and spring water segments in Nigeria. It owns iconic brands such as Gala, Funtime, Supreme and SWAN. It has production facilities in the South West and North Central regions of Nigeria with a broad distribution network that ensures a strong market presence nationwide.

In September 2021, UACN acquired Tiger Brands Limited's minority shareholding (49%) in UFL. UFL is now a wholly owned subsidiary of UACN.

## Quick Service Restaurants

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

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

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

## Logistics

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

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

Imperial Logistics, a global logistics player owns a 57% equity stake in MDS Logistics.

## Real Estate

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

In 2021, UACN distributed its interest in the UPDC Real Estate Investment Trust ("UPDC REIT"), comprised of 649 million units to UACN shareholders on a pro-rata basis via a scheme of arrangement that was effective on 11 November 2021. As such, UACN no longer owns any UPDC REIT units.

For more information visit [www.uacnplc.com](http://www.uacnplc.com)





# Bulk Order Services



## BOOK NOW!

Call: 09012965903  
08147214435



Mr Bigg's, a brand under UAC Restaurants Ltd.

<https://twitter.com/mrbiggsg>

<http://www.instagram.com/mrbiggsgnigeria>

<http://www.facebook.com/mrbiggsonline/>

[customercare@uacrestaurants.com](mailto:customercare@uacrestaurants.com)

**0708 060 1163, 0803 123 0455 (TOLL FREE)**

## RESULTS AT A GLANCE

	Group			Company		
	2021 N'000	2020 Restated N'000	% change	2021 N'000	2020 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



# CHAIRMAN'S STATEMENT

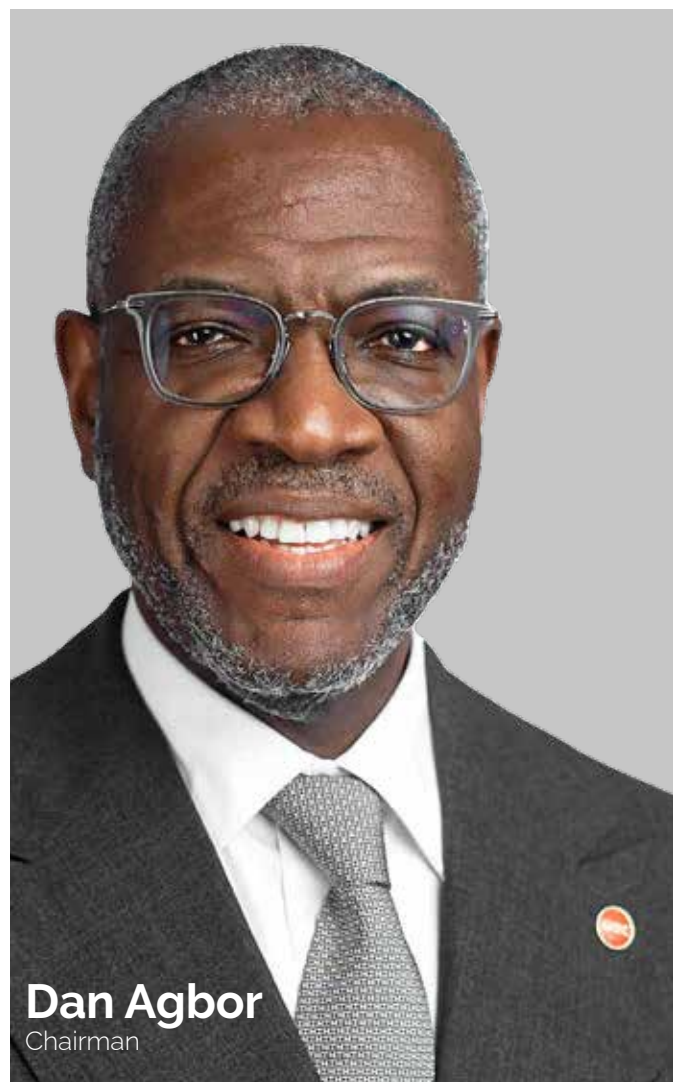
Distinguished Shareholders, Ladies, and Gentlemen,

On behalf of the Board of Directors, it is my great pleasure to welcome you to the 2022 Annual General Meeting of UAC of Nigeria PLC.

In this year's letter, I provide an overview of the operating landscape, updates on strategic and governance initiatives and highlights of our financial performance. I conclude the letter with thoughts on the year ahead and a vote of thanks to our key stakeholders.

## Review of 2021

In order to boost the post lock-down recovery, governments across the world deployed fiscal and monetary tools to stimulate economic growth. These factors contributed to the global economy recovering from the recession in 2020 that was triggered by the COVID-19 pandemic.



**Dan Agbor**  
Chairman

Increased economic activity resulted in pressure on production and distribution capacity, leading to supply chain disruptions across the world. Capacity shortages led to multi-decade high levels of inflation and, in certain instances, unavailability of key production components. Over the course of the year the widespread administration of vaccines resulted in the relaxing of the most stringent restrictions on the movement of people and goods, that were aimed at curbing the spread of COVID-19. By year end, however, the world entered a new period of uncertainty with new and more transmissible COVID-19 variants emerging and threatening full recovery.

For UACN, the steep rise in input costs was one of the defining features of the year, impacting each of our operating segments. Management focused on striking a balance between growth and protecting margins.

## Nigeria operating landscape

### Economic growth

The Nigerian economy recovered in 2021, recording GDP growth of 3.4% for the year compared with a contraction of 1.9% in 2020, with fiscal and monetary support from the government boosting aggregate demand.

### Inflation

Headline inflation peaked at 18.12% before moderating over the course of the year as activity recovered across food production, manufacturing, hospitality and transportation value chains. Despite the improvement from the peak in April, inflation levels remained elevated, averaging 17%. Sustained rises in prices of staple foods, transportation and utilities put pressure on household budgets and constrained consumer demand.

One of the consequences of elevated levels of inflation was an escalation in raw materials prices across our businesses. Pressure on consumer wallets impacted our ability to pass on higher costs to consumers through price increases, which negatively affected margins. Cost escalation for agricultural commodities was significantly in excess of headline inflation as farming and logistics activities were impacted by rising insecurity in the key agricultural output centers of the country.

### Exchange rate

In 2021, the Naira depreciated 9% to 413/\$1.00 in December. In May 2021 the Central Bank of Nigeria adopted the Investors and Exporters (I&E) window rate as Nigeria's

official benchmark exchange rate to drive foreign exchange rate stability. However, demand for foreign exchange meaningfully exceeded supply resulting in foreign exchange scarcity. This negatively impacted the importation of raw materials and capital equipment and stoked inflation.

Currency devaluation and foreign exchange illiquidity adversely impacted our businesses that are directly and indirectly dependent on imported raw materials.

## Delivering on UACN's strategic priorities

A key element of the strategic plan outlined in 2018 was for UACN (the "Company") to operate as a simpler and leaner holding company.

In line with our strategy to simplify the UACN Group structure, we completed three strategic initiatives in 2021. We distributed UPDC REIT units to UACN shareholders, attained 100% ownership of UAC Foods Limited, and supported the merger and full integration of our paints businesses, Chemical and Allied Products PLC and Portland Paints and Products Nigeria PLC.

Other key elements of the 2018 plan were for the holding company to sharpen its focus on delivering value to shareholders, strengthening corporate governance, and attracting and retaining talented employees. In 2021, UACN's total shareholder return was 66%. Leadership teams and boards of our subsidiary and associate companies have been strengthened and management are empowered to drive value creation. We introduced remuneration structures tailored to align employee and shareholder interests, including a long-term equity incentive plan at the holding company.

We believe that technology is a powerful tool for improving productivity, a belief that was reinforced by the COVID-19 pandemic. In 2021, UACN migrated to cloud-based enterprise productivity tools and commenced the process of upgrading the core IT infrastructure across the group. With these investments, we expect to be able to drive continuous improvement and adopt best practices across our most important processes.

## Our Commitment to Our Communities

UAC's commitment to Corporate Social Investment ("CSI") has been consistent through the years. Initiatives across the Group in 2021 focused on alleviating the effects of the

COVID-19 pandemic on our communities, early childhood education, providing scholarships to students, and community development projects such as a clean water initiative and borehole donation to the Ezima community in Aba, Abia state. Details of our CSI activities are presented in the Sustainability Report on page 57 of this annual report.

We also continued to provide support to our employees and partners, ensuring that flexible work arrangements and appropriate protection measures were available.

## Governance

Since the last Annual General Meeting, there have been three changes to UACN's Board of Directors. Dr. Okechukwu John Mbonu, a Non-Executive Director of the Company, retired from the Board effective 15 October 2021. Please join me in thanking Dr. Mbonu for his significant contributions to the Company over the last six years.

Mrs. Funke Ijaiya-Oladipo was appointed to the Board in July 2021 as Group Finance Director. Prior to this appointment, Funke was UACN's Group Chief Financial Officer with overall responsibility for the Company's finance function and investor relations. The board is confident that her appointment as Group Finance Director will add value to our Company.

Mr. Khalifa Biobaku, a seasoned finance and investment professional with two decades of experience, joined the board as a Non-Executive Director effective 29 March 2022, subject to the approval of the Company's shareholders at the 2022 Annual General Meeting.

## Leadership changes

Ms. Ayomipo Wey was appointed Company Secretary/ Group General Counsel effective 8 February 2022 following the resignation of Ms. Nkemdirim Agboti. As the Company Secretary/Group General Counsel of UACN, Ayomipo will guide and advise the Company and the Board in ensuring full compliance with legal, governance, secretarial and regulatory requirements while also coordinating the legal, governance and secretarial activities of all the UACN Group companies.

At our subsidiaries, we welcomed Mrs. Bolarin Okunowo and Mr. Debola Badejo as Managing Directors of CAP PLC and UAC Restaurants Limited, respectively.

**In line with our strategy to simplify the UACN Group structure, we completed three strategic initiatives in 2021.**

## Remuneration

At the 2021 AGM, we were pleased to receive strong shareholder support for the implementation of a remuneration framework that links employee reward to long-term value creation. The new employee incentive plan seeks to attract, retain, and motivate employees based on the value created and this, we believe, will promote entrepreneurial behaviour and encourage executives to act as owners rather than as managers. Subject to achieving a total shareholder return of at least 18% per year over a five-year period, 10% of the value created will be distributed to participants of the scheme.

Further information on the scheme can be found in note 33 of the financial statements on page 166 of this annual report.

## Financial Performance

Later in this report, Fola Aiyesimoju, our Group Managing Director, will provide more detail on our financial performance as we navigated the second year of the pandemic. Overall, our results show evidence of resilience in 2021, in what was a difficult year.

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

Revenue grew 25% to reach ₦101 billion in 2021, driven by sales growth across all business segments. Operating performance was 50% higher year on year at ₦4.9 billion, although underlying operating profit (adjusted for non-recurring income from the unbundling of UPDC REIT as well as fair value gain on investment properties) was broadly flat year on year at ₦3.2 billion.

Profitability was impacted by rising raw material costs, supply chain disruptions as well as higher finance costs. Profit before tax was ₦4.1 billion compared to ₦5.1 billion in FY 2020. Profit for the period was ₦2.6 billion compared to ₦3.9 billion in FY 2020. Earnings per share from continuing operations was 63 kobo, compared to 69 kobo in FY 2020.

Notwithstanding these challenges, UACN returned ₦7.4 billion to shareholders in 2021 through a combination of dividends and UPDC REIT units, that together had an aggregate value of ₦2.55 per share.

## Dividend and Election for Shares Instead of Cash Dividend

The Board is recommending an ordinary dividend of 65 kobo per share or ₦1.9 billion in respect of the 2021 financial year. Subject to shareholder approval at the AGM, the final dividend will be paid to shareholders on 23 June 2022.

Shareholders may, through a Share for Cash Dividend Election Scheme, elect to receive new ordinary shares in the Company instead of the dividend in cash. This gives shareholders the opportunity to reinvest their dividend in the Company and increase their shareholding without incurring transaction costs. UACN also stands to benefit from the share option as the cash, which would have been paid out as dividends, will be retained by the Company. More details on the Share for Cash Dividend Election Scheme and its terms and conditions are contained in the explanatory notes on pages 29 to 31 of this annual report.

## Outlook

While uncertainty remains, the long-term fundamentals of the sectors that our subsidiary and associate companies operate in continue to be attractive.

With recent investments in technology and ongoing investments in additional capacity, our businesses are well positioned to achieve our growth ambitions. The impact of rising inflation is a key concern for the year and our management teams remain very focused on executing appropriate pricing strategies.

We recognise that the war between Russia and Ukraine is still unfolding, and it is difficult to fully assess its implications for our businesses. Expectations are that supply chain shortages, particularly relating to the availability of commodities exported by Russia and Ukraine, will emerge, which is likely to contribute to food and energy inflation in 2022.

## Appreciation

On behalf of the Board, I wish to thank and acknowledge our shareholders for their continued support. We also acknowledge the contributions and support of all our stakeholders and business partners, ranging from our hard working and dedicated employees, to the vendors who support our ecosystem, the communities where our businesses operate, to the government partners who are enablers of our success.



**Dan Agbor**

Chairman

30 April 2022

FRC/2013/NBA/00000001748

**In 2021, UACN returned ₦7.4 billion to shareholders through a combination of dividends and UPDC REIT units**



**Sandtex**

The smart choice

**Make the  
Smart Choice**

Great Quality. Great Value.



# GROUP MANAGING DIRECTOR'S REPORT



**Fola Aiyesimoju**  
Group Managing Director

Dear Shareholders,

Welcome to the 2022 Annual General Meeting of UAC of Nigeria PLC ("UACN" or the "Company") at which we will present your Company's operational context, strategy, and financial performance for the year ended 31 December 2021.

## Operating Context

In 2021, we benefited from growth as COVID-19 related restrictions to the movement of people and goods eased. We, however, faced headwinds related to inflation, currency depreciation, foreign exchange scarcity and rising insecurity.

The effect of base inflation combined with supply chain disruptions, resulted in input cost escalation far over the reported headline inflation. In our Animal Feeds business, prices of maize and soya beans increased by 50% and 100% respectively. In our Paints business, the price of resins increased by more than 100%. The prices of flour, milk, and sugar increased by over 50% impacting our Packaged Food and Beverages, and Quick Service Restaurants businesses. Unfortunately, the trend has continued into 2022.

We responded to rising input costs with pricing strategies to preserve our ability to invest in our businesses and brands. Despite our efforts, sustained escalation in raw material costs resulted in gross margin compression which we did not fully offset with efficiency gains. Managing margins in light of the continued high inflationary environment remains a key focus.

## UACN's Strategic Initiatives

Our recent strategic focus has been on simplifying the group structure, resulting in the sale of controlling interests of two of our businesses, UPDC PLC and MDS Logistics, in 2020.

In 2021, we made further progress towards simplifying the Group structure.

### 1. Merger of CAP and Portland Paints

We supported the successful merger and integration of our two paints businesses, Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC. The merger is complete, and the fully integrated business operates seamlessly.

The merger, which streamlined UACN Group's structure, created the leading paints and coatings company in Nigeria on account of its combined brand portfolio – Dulux, Sandtex, Caplux and Hempel and diversified product range spanning decorative and marine.

UACN's shareholding in the enlarged, post-merger, CAP is 56.54%.

## 2. 100% ownership of UAC Foods

We acquired 49% interest in UAC Foods Limited (UFL) owned by Tiger Brands Limited, who were very supportive partners during the time of our joint ownership, for a cash consideration of ₦3.92 billion. Increasing our stake in UAC Foods is in line with our strategy to simplify the group by exiting non-core businesses and increasing exposure to core growth areas. The acquisition is accretive to UACN's earnings per share.

UAC Foods is now a wholly owned subsidiary of UACN and continues to provide nutrition to millions of Nigerians.

## 3. Unbundling UPDC REIT units to UACN's shareholders

During the strategic review in 2018, the Board and management of your Company concluded that it would be in UACN's best interest to exit from its investments in real estate. To this end, UACN distributed its interest in the UPDC Real Estate Investment Trust (UPDC REIT), comprised of 649 million units, to UACN shareholders on a pro-rata basis via a scheme of arrangement. This initiative aimed to provide our shareholders with direct exposure to the UPDC REIT and its diverse portfolio of income generating assets, ensuring that shareholders directly benefit from future potential dividend distributions from the UPDC REIT.

The unbundling was completed in November 2021 and UACN shareholders received REIT units as well as a dividend from the REIT between December 2021 and January 2022.

# Pillars for Value Creation

## 1. People

Attracting and retaining the right quality of talent is a priority for us and we made progress in two broad areas.

We welcomed Mrs Bolarin Okunowo, Mr Debola Badejo and Mr Odunayo Ojo as Managing Directors of CAP PLC, UAC Restaurants and UPDC PLC respectively. We are confident that their leadership will accelerate the growth ambitions of their respective companies. The priorities of our core operating segments are outlined in the Segmental performance report on pages 21 to 22 of this annual report.

We implemented tailored employee incentives aimed at aligning employee and shareholder interests. At the holding company, we linked the long-term incentive scheme directly to shareholder experience. With your approval at our last AGM, we implemented a scheme that provides employees with a share of the total value created above an 18% threshold per annum. At our subsidiary companies, we designed incentive schemes linked to operating profit. For UAC Restaurants - a business going through a complete business model shift from 100% franchise model to majority corporate stores, the management incentive scheme is tied to delivering on a 5-year value creation plan.

## 2. Capital allocation

We introduced a digital component to the UACN Group and committed to three small investments in this regard in 2021.

We invested in Ventures Platform, the leading venture capital fund in the region, and hope to work closely with the team as they seek to invest in more than 50 of the best technology-enabled businesses across Africa. We made a direct investment in Touch and Pay, a micropayments business that was recently accepted into Y Combinator, and also invested in Kandua, a marketplace connecting artisans with end customers.

Given the shift from the industrial to the information age, we feel that these investments are important to UACN's long-term future.

## 3. Governance and controls

We worked actively with the boards of directors of our subsidiary and associate companies to ensure the businesses operate to the highest standards of corporate governance. Steps taken to strengthen these boards are outlined in the Segmental performance report on pages 21 to 22 of this annual report.

Our Group auditor EY, resigned in April 2021 to serve as our implementation partner for our ongoing project to upgrade our enterprise resource planning (ERP) tool to SAP S/4 Hana. KPMG Professional Services was appointed to replace EY, resulting in KPMG's resignation as our Group Internal Auditor. PwC has been appointed in KPMG's stead as Group Internal auditors. We worked hard over the course of the year with our internal and external auditors to identify potential vulnerabilities and implement initiatives to address them.

#### 4. Technology

The last 18 months highlighted the importance of technology to business continuity in periods of disruption to normal activity. To this end, we have made meaningful investments in our core information technology infrastructure which are expected to yield long-term benefits.

Specifically, we invested over ₦200 million across the Group in the migration from an on-premise Microsoft Office 2016 application to the cloud-based Office 365 Enterprise Productivity Tool. We are also in the final stages of migrating from an on-premise physical server-based SAP ECC Enterprise Resource Planning (ERP) system to the cloud-based SAP S/4 HANA. This is a more than ₦2 billion investment that we expect will go live in July 2022.

The group wide refresh of our ERP system is one of the most important initiatives we are embarking on as we will get the dual benefit of improved processes by adopting SAP best practices, and superior technology. The enhancement of our ERP system will serve to improve our control environment.

#### 5. Sustainability

As a responsible company, we incorporate sustainable Environmental, Social and Governance (ESG) practices in our decision-making. We believe that our investments can impact the world we live in, and that a positive ESG strategy can enhance the financial value of our investments.

In 2021, we developed a sustainability vision and ESG focus areas guided by global standards. Our plans for 2022 include articulating an impact-driven sustainability strategy, developing a multi-year sustainability action plan, and commencing data collection and measurement, verified by external reviews to enable us to better track progress against targets.

For more detail on our implementation focus areas and the alignment with the United Nations Sustainable Development Goals (SDGs) refer to the Sustainability report on page 57 of this annual report.

### Ongoing Community and COVID-19 Support

UACN has a long-standing reputation for our commitment to the communities where our businesses operate. We recognised that the impact of the pandemic on our communities would likely continue through the year and extended our commitment to the Coalition Against COVID-19 (CACOVID) with an additional cash contribution of ₦100 million in 2021. This is in support of efforts to promote the health and safety of citizens, as our country navigates the pandemic.

In 2021, we implemented a structured mechanism which enables us to give back to our host communities directly and indirectly via our subsidiary and associate companies. We made an annual commitment of at least ₦25 million to Corporate Social Investment (CSI) every year. Our CSI activities going forward will be centered around early childhood education, pediatric healthcare and community involvement.

Details of our CSI in 2021 are presented on page 57 of this annual report.

### Group Financial Performance

Our results for the 2021 financial year are mixed as the Group recorded meaningful topline growth however operating margins and profitability were impacted by raw material and operating cost escalation. We did however achieve operational efficiency as reflected in the improvement in our operating expenses to sales ratio by 184 basis points.

One of our objectives is to drive long-term profitable growth in our core platforms and in 2021 the group recorded significant topline growth of 25%, above the historical average growth of 3% to reach ₦101 billion. All of our operating segments recorded topline growth above the historical growth rate, which is encouraging, and this was achieved by a combination of price and volume increases across each segment.

Operating profit was ₦5.0 billion in 2021, 514% higher than the ₦3.3 billion recorded in 2020. The increase is attributable to unrealised fair value gain on investment properties (₦1.1 billion), dividend income from UPDC REIT (₦245 million), and fair value gain on unbundling of the UPDC REIT units to shareholders (₦324 million). Adjusting for these, UACN's underlying operating profit was broadly flat year on year at ₦3.2 billion.

Profitability was impacted by higher finance costs, on account of increased short-term borrowings in the Animal Feeds segment to support efforts to build inventory, as well as, losses recorded by our associate companies, UPDC PLC and MDS Logistics PLC.



Group earnings per share from continuing operations was 63 kobo, this is 9% lower than the 69 kobo recorded in 2020.

Capital expenditure was largely concentrated in the Packaged Food & Beverages segment where we continue to make investments to address inadequate capacity as well as investments in technology infrastructure.

Free Cash Flow for the period was negative ₦18.9 billion in 2021, impacted by the strategy to increase inventory levels in the Animal Feeds & Other Edibles and Paints segments.

### Shareholder return

UACN returned ₦7.4 billion to shareholders via a mix of dividends and UPDC REIT units totaling ₦2.55 per share in 2021. The Group's return on invested capital, increased 243 basis points to 7.8% and total shareholder return was 66%.

## Outlook

Some of last year's headwinds are expected to continue into 2022. Despite this backdrop, our focus remains on creating shareholder value and we continue to prioritize growth and scale to achieve this.

We will focus on completing the deployment of SAP S/4 Hana, our new ERP system and working to extract expected benefits. We are in advanced stages of expanding production capacity for the water segment of our Packaged Food and Beverage business and expect to commence a greenfield factory project to expand production capacity in the snacks segment of this business. Our Paints and Quick Service Restaurant businesses are focused on driving growth by deepening retail footprint. For our Quick Service Restaurant business, retail expansion will be focused on corporate stores.

An outstanding question relating to the Group structure is as regards our Animal Feeds businesses. Our two businesses in this segment, Grand Cereals Limited and Livestock Feeds PLC have limited geographic overlap, which is positive in the context of a potential merger but are configured to deliver different value propositions to end customers. Resolving the question regarding long-term ownership and structure for Grand Cereals Limited and Livestock Feeds PLC is a key focus area for us in 2022.

Our people remain our most important priority and we have initiated management training schemes at our various businesses to attract and retain a leadership pipeline for the future. We carefully assess our organisation structures and team compositions to ensure our businesses are led by the best possible managers we can attract and human resources are deployed to our biggest opportunities.

## Appreciation

It is a great privilege to lead this remarkable organisation, and I could not be more grateful to our leadership team and my colleagues across the Group for their unwavering commitment to our objectives.

My deepest appreciation goes to you, our valued shareholders, for your continued support. We remain dedicated to creating value and delivering long term attractive returns.



**Fola Aiyesimoju**

Group Managing Director

FRC/2019/IODN/0000001980

30 April 2022



# caplux

YOUR FOUNDATION  
FOR PERFECTION



## SEGMENTAL PERFORMANCE REPORT

### Animal Feeds and Other Edibles

Revenue for this segment increased 15.7% to ₦62.7 billion (2020: ₦54.2 billion). Price increases across major categories to offset higher input costs, as well as lower operating expenses, contributed to the 23.9% increase in operating profit to ₦2.5 billion (2020: ₦2.1 billion). Since the outbreak of COVID-19, Grand Cereals Limited and Livestock Feeds PLC have embarked on operational improvements in power consumption and cost saving initiatives focused on reducing distribution expenses. The segment recorded a ₦1.2 billion Profit before Tax in 2021 compared to ₦1.7 billion Profit before Tax in 2020. Profitability was impacted by higher finance costs to support inventory purchases.

#### Strategic priority

Our near-term priority for this segment is to optimize the business model to improve the return on invested capital. Key focus areas include proactive pricing strategies to protect operating margins given the escalating cost environment, accelerating growth of higher margin edible consumer products (i.e soya oil) by increasing production capacity, and driving growth in animal feeds by expanding our nationwide distribution.

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

At Grand Cereals, Chief. Olabode Emanuel, the Chairman of the Board of Directors retired in May 2021. He was replaced by Mr. Bode Augusto, the founding Managing Director of Augusto & Co, a leading pan-African credit rating agency. Mrs Anana Bode Emanuel replaced Chief Emanuel as nominee of Thorburn Investment (Nig.) Limited on the Board.

At Livestock Feeds, Mrs. Bolarin Okunowo, joined the Board of Directors as a non-executive with effect from 1 April 2021. Mr. Peter Mombaur was appointed as a non-executive director on the Livestock Feeds board with effect from 22 April 2022 to replace Mrs. Okunowo who resigned effective 1 March 2022.

### Paints

#### Corporate action update

On 1 July 2021, the merger between Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (Portland Paints), became effective with CAP being the surviving enlarged entity. The decision to merge was driven by the ambition of both companies to grow and expand within Nigeria and regionally.

The combination created a leading paints and coatings company on account of its combined brand portfolio – Dulux, Sandtex, Caplux and Hempel, its diversified product range spanning decorative and marine, as well as the

broadest distribution channels and retail footprint in Nigeria.

#### Financial performance

The Paints segment reported revenue growth of 47.3% YoY to ₦15.4 billion in 2021. The increased revenue was on account of strong volume growth as well as corrective pricing actions taken in the second half of 2021 to mitigate the impact of input cost pressures. Price increases were taken across all segments of the paint portfolio. Performance in 2020, being the comparative period last year, was impacted by COVID-19 related restrictions that limited sales in Q2 2020. Our businesses in this segment faced input cost pressure that negatively impacted gross and operating margins. Operating profit was 20.3% higher at ₦1.4 billion as a result of revenue growth and operating income, offset by increased operating expenses and non-recurring merger restructuring costs in 2021. Profit before Tax was ₦1.7 billion, 17.7% higher than the ₦1.5 billion recorded in 2020.

#### Strategic priority

Near-term priorities for the Paints segment are to grow volumes and increase market share by focusing on deepening retail penetration, expanding the product portfolio and regional expansion.

#### Board changes at CAP

Mrs. Bolarin Okunowo, an experienced investment and finance executive, with over 16 years' experience across various disciplines, was appointed Managing Director with effect from 1 December 2021 following the retirement of Mr. David Wright.

Dr. Vitus Ezinwa and Mr. Folasope Aiyesimoju, UACN's Chief Operating Officer and Group Managing Director, were appointed as non-executives in June 2021 and October 2021 respectively.

### Packaged Food and Beverages

The Packaged Food and Beverages segment recorded 33% revenue growth to ₦23.8 billion in 2021 (2020: ₦17.9 billion). Strong volume growth in the snacks category was supported by improved distribution in Southern Nigeria as well as product mix shift to the recently introduced larger SKU's (Gala classic and Gala spicy launched in May 2021) at the ₦100 retail price point. The dairies category recorded 73% sales growth on account of the deployment of 500 additional freezers and cold rooms in trade as well as recent investments in plant upgrades to improve product quality. The beverages category recorded topline growth of 30% on account of increased production capacity of the spring water facilities as well as improved distribution focused on Lagos and Southeast Nigeria.

Operating profit increased by 3% to ₦1.4 billion (2020: ₦1.35 billion) supported by revenue growth, despite increased input material costs and inflationary pressure on overheads. Profit before Tax increased by 5.5% to ₦1.5 billion compared to 1.4 billion in 2020.

Ownership update: UACN acquired Tiger Brands Limited's minority shareholding (49%) in UAC Foods Limited (UFL) for a cash consideration of ₦3.92 billion in September 2021. UFL is now a wholly owned subsidiary of UACN.

### Strategic priority

Our immediate priority for this segment is to drive volume growth across our snacks, dairies and beverages categories and to invest in additional production capacity.

## Quick Service Restaurants ("QSR")

Revenue from the Quick Service Restaurants segment grew 44.5% to ₦2.2 billion in 2021 from ₦1.5 billion in 2020 on account of an increase in the number of company-owned restaurants (corporate stores) as well as improved performance of existing stores compared to 2020 when there were movement restrictions relating to COVID-19. Same store sales growth was 46% YoY.

The segment recorded a ₦525 million operating loss in FY 2021 impacted by the higher cost environment resulting in higher cost of sales and higher operating expenses as well as investments in talent to drive the company's growth ambitions. UAC Restaurants recorded a ₦509 million Loss before Tax in 2021, compared to a ₦57 million Loss before Tax in 2020.

### Strategic priority

We remain focused on investing in company-owned restaurants to drive revenue growth, which would in turn, improve the absorption of our overhead costs, and guarantee profitability.

### Board changes at UAC Restaurants

Mr. Debola Badejo was appointed Managing Director of UAC Restaurants with effect from 1 April 2021 following the retirement of Mrs. Joan Ihekwa.

Mr. Peter Mombaur, an investment executive at UACN, was appointed Chairman of the Board of Directors of UAC Restaurants on 1 November 2021 following the resignation of the Chairperson, Mrs. Muhibat Abbas.

## Associate: Real Estate (UPDC PLC)

Name change: The name of the company was changed from UACN Property Development Company PLC to UPDC PLC in 2021. The trading symbol on The Nigerian Exchange has also changed from UAC-PROP to UPDC.

### Financial performance

UPDC's 2021 revenue was ₦825 million compared to the ₦1.7 billion recorded in 2020 as a result of reduced property stock for sale as the company rebuilds its development pipeline. Revenue declined primarily on account of lower property sales, rental income and management fees on rent compared to 2020. UPDC recorded an operating loss of ₦898 million in 2021 (2020: ₦713 million operating loss).

Net finance cost decreased by ₦760 million (-51% YoY) to ₦718 million following the redemption of the 5-year ₦4.355 billion bond which was refinanced via a shareholder loan (Custodian Investment PLC and UACN) on 26 April 2021. Loss before Tax for 2021 was ₦1.6 billion compared to the ₦263 million Loss before Tax recorded in 2020 (supported by the fair value gain on UPDC REIT which was recognised in 2020).

### Board and leadership changes at UPDC

Mr. Odunayo Ojo, an experienced real estate professional with two decades of experience, was appointed Chief Executive Officer of UPDC with effect from 3 May 2021.

## Associate: Logistics (MDS Logistics Limited)

MDS Logistics' 2021 revenue increased 8% to ₦8.6 billion from ₦8 billion in 2020 driven by increased demand for pharma logistics and haulage services. Operating profit was 66% lower at ₦293 million (2020: ₦875 million) on account of higher cost of sales due to increase in vehicle expenses and higher administrative expenses. MDS recorded loss before tax of ₦163 million in 2021 compared to profit before tax of ₦289 million in 2020. Profitability was impacted by finance costs incurred on a loan to fund capital expenditure to support the haulage business.

### Strategic priority

The near-term focus for MDS is to increase profitability through increased capacity for specialized logistics services (Pharma Logistics), warehouse restructuring to maximize profitability and joint venture partnerships in the legacy haulage division; as well as facilitating e-commerce partnerships.





# Vital Feed

...the profitable choice



From Poultry to Fish, Pig to Horse and Ruminant, we got it all covered in our VITAL FEED Masterbrand. It's the awesome super quality animal nutrition brand range for optimum growth and profitable yield to farmers and breeders.



GRAND CEREALS LIMITED  
...guaranteed well-being

Km 17, Za'ang Roundabout, Jos, Plateau State. Care Line: 070-0000-0999 | [www.grandcereals.com](http://www.grandcereals.com) | [info@grandcereals.com](mailto:info@grandcereals.com)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **Annual General Meeting** of **UAC of Nigeria PLC** (the "**Company**") will be held at **UAC House, 1 -5, Odunlami Street, Marina, Lagos** on **Wednesday June 22, 2022** at **10.00am** in order to transact the following businesses:

## ORDINARY BUSINESS

1. To lay before members the Audited Financial Statements for the year ended December 31, 2021 and the Report of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect the following directors who are retiring by rotation:
  - (i) Mrs. Suzanne Iroche
  - (ii) Mr. Karl Toriola
4. To authorize the Directors to fix the remuneration of the External Auditors for the 2022 Financial Year.
5. To elect members of the Statutory Audit Committee.
6. To disclose the Remuneration of Managers of the Company.

## SPECIAL BUSINESS

7. To fix the remuneration of Directors.
8. To approve the appointments of the following Directors:
  - (a) Mrs. Funke Ijaiya-Oladipo
  - (b) Mr. Khalifa Biobaku
9. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

"That a general mandate be and is hereby given, authorizing the Company through the Directors to enter into recurrent transactions with related parties or companies until reviewed by the Company at an Annual General Meeting."
10. To consider and if thought fit, pass the following Resolution as an ordinary resolution of the Company:
  - 10.1 "That the following proposals by the Directors in connection with the dividend to be declared by the Company in respect of the year ended 31 December 2021 be and are hereby approved:
    - (a) That shareholders entitled to receive cash dividends be offered a right of election to receive ordinary shares in the Company ("New Ordinary Shares") instead of cash dividends, and that such New Ordinary Shares be credited as fully paid; and when issued, shall rank *pari passu* in all respects with the Company's existing ordinary shares;
    - (b) That the election to receive ordinary shares instead of cash dividends shall have been exercised by shareholders on or before June 14, 2022;
    - (c) That the New Ordinary Shares to be received by Shareholders shall be determined by their cash dividend entitlements divided by a Reference Share Price, which Reference Share Price shall be the 10-day average (starting on June 8, 2022) of the Company's closing share price on the floor of Nigerian Exchange Group; and
    - (d) That further to the above approval, the Directors be, and are hereby, authorised to allot to shareholders who elect to receive ordinary shares in the Company in lieu of cash dividends, such number of New Ordinary Shares as shall be determined by the Directors in the manner set out in resolution (c) above.



- 10.2. That upon completion of the process for the payment of dividend (including without limitation, the allotment of the New Ordinary Shares to shareholders who elect to receive same); and in compliance with Section 124 of the Companies and Allied Matters Act No. 3 of 2020 (as amended) and the Companies Regulations 2021, the shareholders hereby approve the cancellation of all of the unissued shares of the Company and authorise the Directors to take all such lawful steps as may be required by statute and/or regulations for implementing the cancellation of the Company's unissued shares.
- 10.3. That the Directors be and are hereby authorised to take all such lawful steps, pass all requisite resolutions and do all such other lawful acts and/or things as may be necessary for and/or incidental to giving effect to resolutions 10.1 and 10.2 above; and all prior lawful steps taken by the Directors in the above regard be and are hereby ratified.
11. To consider and if thought fit, approve as special resolution of the Company:
- "That subsequent to the cancellation of all of the unissued shares in the share capital of the Company in accordance with resolution 10.2 above, Clause 6 of the Memorandum of Association and Article 5 of the Articles of Association of the Company be amended as necessary to reference only the issued shares in the share capital of the Company."

Dated this 16<sup>th</sup> day of May 2022

**BY ORDER OF THE BOARD**



**AYOMIPO WEY**  
COMPANY SECRETARY  
FRC/2013/NBA/00000003124



# NOTES

## 1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

In order to curb the spread of COVID-19, the convening and conduct of this Annual General Meeting shall be by proxy in line with the Corporate Affairs Commission Guidelines on holding of Annual General Meetings by proxy.

## 2. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential PLC, 220B Ikorodu Road, Palmgrove, Lagos or sent via email to [cxc@africaprudential.com](mailto:cxc@africaprudential.com) not later than 24 hours before the time fixed for the meeting.

## 3. ATTENDANCE BY PROXY

In line with the CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

- i. Mr. Dan Agbor
- ii. Mr. Folasope Aiyesimoju
- iii. Mr. Olabisi Fayombo
- iv. Mrs. Adebisi Bakare
- v. Mrs. Temilade Durojaiye
- vi. Comrade Lawrence Oguntoye
- vii. Pastor Samson Olagoke

## 4. STAMPING OF PROXY

The Company has made arrangements, at its cost, for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated timeline.

## 5. LIVE STREAMING OF THE AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live stream would be made available on the Company's website at [www.uacnplc.com](http://www.uacnplc.com).

## 6. CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from June 8 to June 14, 2022 (both dates inclusive) for the purpose of updating the Register of Members and payment of Dividend.

## 7. DIVIDEND

Directors have recommended to members, the payment of a dividend of 65 kobo per share. A resolution to this effect will be put to the meeting for the approval of members. If the Dividend recommended by the Directors is approved by members at the Annual General Meeting, cash Dividend will be paid, subject to withholding tax, on June 23, 2022 to the Shareholders whose names appear in the Company's Register of Members at the close of business on June 7, 2022.

Shareholders are advised to complete the E-Dividend Mandate Activation Form, which is available at [http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form\\_2018.pdf](http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form_2018.pdf) and forward same to the Registrar, Africa Prudential PLC at their office at 220B, Ikorodu Road, Palmgrove, Lagos or send via email to [cxc@africaprudential.com](mailto:cxc@africaprudential.com) to enable direct credit of their cash dividend on June 23, 2022.

Directors have also recommended to members, a right of election to receive new ordinary shares in the Company instead of the full year dividend in cash. Elections are required to be made on or before June 14, 2022 and shall be effective if the option to receive shares in lieu of cash is approved by members at the Annual General Meeting.

failing which all members shall receive cash dividend. The Reference Share Price, for the purpose of determining the number of shares due to Shareholders who elect for the share option, shall be the ten-day average of the Company's closing share price on the floor of Nigerian Exchange Limited, starting on June 8, 2022.

Shareholders who wish to exercise their right of election are advised to complete the Election form which is available at [www.uacnplc.com](http://www.uacnplc.com) and return same to the Registrars, Africa Prudential PLC at Africa Prudential PLC, 220b Ikorodu Road, Palmgrove Lagos or via email at [cxsc@aficaprudential.com](mailto:cxsc@aficaprudential.com) before or by June 14, 2022.

## **8. NOMINATION TO THE STATUTORY AUDIT COMMITTEE**

Pursuant to Section 404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. Section 404 (5) CAMA 2020 has mandated that all members of the Audit Committee must be financially literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

## **9. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS**

Shareholders and other holders of the Company's securities have a right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions must be submitted to the Company on or before June 20, 2022.

## **10. UNCLAIMED DIVIDENDS**

Shareholders who are yet to claim their outstanding dividends are hereby advised to complete the e-dividend registration form by downloading the Registrar's E-Dividend Mandate Activation Form, which is available at [http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form\\_2018.pdf](http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form_2018.pdf) and submit to the Registrars at Africa Prudential PLC, 220b Ikorodu Road, Palmgrove Lagos or their respective Banks for the purpose of claiming their outstanding dividends.

A list of Shareholders who are yet to claim their dividends as of March 31, 2022 is available on the Company's Website at <https://www.uacnplc.com/wp-content/uploads/2022/04/UACN-Unclaimed-Dividend-list-as-at-31-March-2022.xlsx>.

## **11. BIOGRAPHICAL DETAILS OF DIRECTORS FOR ELECTION AND RE-ELECTION**

The biographical details of the Directors submitted for election and re-election are contained in the Annual Report and on the Company's website at [www.uacnplc.com](http://www.uacnplc.com).

## **12. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE**

In order to improve delivery of our Annual Report, we have inserted a detachable Form to the Annual Report and hereby request Shareholders who wish to receive the Company's Annual Report in an electronic format to complete and return the Form to the Registrars for further processing. In addition, Annual Reports are available online for viewing and download from our website at [www.uacnplc.com](http://www.uacnplc.com).

## **13. EXPLANATORY MEMORANDUM FOR SCRIP DIVIDEND**

An Explanatory Memorandum which outlines the rationale for the scrip dividend is available on the Company's website at [www.uacnplc.com](http://www.uacnplc.com).

**Sandtex**

The smart choice

**A space of your  
wildest dreams**





# EXPLANATORY MEMORANDUM FOR SHAREHOLDERS OF UAC OF NIGERIA PLC

Items 10.1 to 10.3 on the Agenda for the Annual General Meeting (“AGM”) of UAC of Nigeria PLC (the “Company”) scheduled to hold at 12th Floor, UAC House, 1-5 Odunlami Street, Marina, Lagos on Wednesday, June 22, 2022 at 10.00am.

## (1) SCRIP DIVIDEND

The Directors have proposed for the shareholders' approval at the AGM, a scrip dividend that would give interested Shareholders the option to elect to receive new ordinary shares in the Company instead of the dividend in cash (“**scrip dividend election scheme**”). The proposal is on the AGM agenda as item 10.1.

These explanatory notes provide information on the scrip dividend election scheme and explain how Shareholders can make their election.

### (a) What the scrip dividend election scheme entails and its benefits

The scrip dividend election scheme gives Qualifying Shareholders (defined below) the opportunity to elect (i.e. choose) to receive their dividends in the form of new ordinary shares in the Company instead of cash.

Qualifying Shareholders are those whose names appear in the Company's Register of Members as at the close of business on the 7<sup>th</sup> of June 2022.

One benefit of the scrip dividend election scheme is that Qualifying Shareholders who elect to receive new ordinary shares would be able to increase the number of shares they hold in the Company without incurring capital market-related transaction costs.

### (b) How a Qualifying Shareholder participates in the scrip dividend election scheme

A Qualifying Shareholder who intends to make an election for shares shall complete an Election Form and return same to Africa Prudential PLC, 220B Ikorodu Road, Palmgrove, Lagos (the “Registrar”) or via email to **cxc@africaprudential.com** on or before the 14<sup>th</sup> of June 2022.

A copy of the Election Form can be obtained from the office of the Registrar. It is also available at **www.uacnplc.com**. Further, the Election Form will be sent to Qualifying Shareholders along with the Company's 2021 Annual Report and Accounts accompanying the Notice of AGM. Qualifying Shareholders (using their personal and corporate e-mail addresses) can scan and send duly completed Election Forms to the Registrar at the e-mail address: **cxc@africaprudential.com**.

### (c) Default option

Qualifying Shareholders who do not wish to receive the dividend as additional shares in the Company are not required to complete the Election Form or take any other steps. Such Shareholders will automatically receive cash. The default option shall be cash.

### (d) Number of new ordinary shares to be received by a Qualifying Shareholder who elects for shares

The number of new ordinary shares to be received by Qualifying Shareholders who elect for new shares will depend on their respective cash dividend entitlements (less withholding tax) and the Reference Share Price. The formula for calculating the number of shares to be received is as follows:

Net Cash Dividend Due **divided by** Reference Share Price.

Net Cash Dividend Due is Gross Dividend less Withholding Tax at the appropriate rate. The Reference Share Price shall be a 10-day average closing share price of the Company's stock traded on the Nigerian Exchange Limited starting on the 8<sup>th</sup> of June, 2022.

No fraction of a share will be issued. Thus, in the event that a residual cash dividend entitlement arises as a result of an election to receive new ordinary shares, Qualifying Shareholders will be paid the monetary value of such residual cash dividend entitlement.

In the event that the aggregate number of UACN shares required to settle all scrip dividend elections exceed available unissued shares, the Company will issue the available unissued shares pro-rata the shareholdings of all shareholders who elect for scrip dividend. The value of the balance will be paid to shareholders as cash.

**(e) Confirmation of entitlement to Qualifying Shareholder who elects for new ordinary shares**

Qualifying Shareholders who elect to receive new ordinary shares will receive a statement confirming the number of new shares issued, the Reference Share Price and the total cash equivalent of the new shares. In the event that the cash dividend entitlement of a Qualifying Shareholder is insufficient to acquire at least one (1) new share, no new ordinary shares will be received by such Qualifying Shareholder, and the dividend will be paid in cash, irrespective of the election.

**(f) Proposed payment date for Qualifying Shareholders who elect to receive cash**

The proposed payment date for Qualifying Shareholders who elect to receive cash is 23<sup>rd</sup> of June 2022.

**(g) Proposed date for crediting the Central Securities Clearing System ("CSCS") accounts of Qualifying Shareholders who elect to receive new ordinary shares**

It is anticipated that the CSCS accounts of Qualifying Shareholders will be credited within seven (7) working days of the receipt of the Securities and Exchange Commission's ("SEC") approval.

**(h) Qualifying Shareholders who have more than one holding/account**

If a Qualifying Shareholder has more than one holding, each holding will require a separate election. Any Qualifying Shareholder who intends to combine its/his/her holding should contact the Registrar.

**(i) Shares held in joint names**

For joint account holders, the Election Form must be signed by all joint shareholders for the election to be valid.

**(j) Contact for further questions about the scrip dividend election scheme**

If there are additional queries or questions, please contact the Registrar via email at [cxc@afriacapprudential.com](mailto:cxc@afriacapprudential.com).

**(2) SHARE CANCELLATION**

This section of the Explanatory Memorandum provides Shareholders with information on the rationale for, and implementation of, the proposed cancellation of the Company's unissued shares following conclusion of the scrip dividend election scheme (the "Share Cancellation"). The proposal is on the AGM agenda as item 10.2.

**(a) RATIONALE**

- (i) The Corporate Affairs Commission ("CAC") by a notice titled 'Public Notice: Existing Companies and the Requirements of Issued Share Capital under the Companies and Allied Matters Act 2020' dated April 16, 2021 (the "CAC Notice"), informed all existing companies incorporated in Nigeria that they should, in compliance with the provisions of the Companies and Allied Matters Act No. 3 of 2020 (as amended) ("CAMA") and the CAC Regulations 2021, ensure that they have no unissued shares by December 31, 2022 (the "CAC Directive").
- (ii) To ensure compliance with the CAC Directive, the Board of Directors explored the most optimal and suitable options available to the Company. In this regard, the Board was advised that the Company could either (1) undertake a transaction for the issuance of its unissued shares (e.g. rights offer for existing shareholders, a scrip dividend issued to existing shareholders and/or a fresh issuance of shares) or (2) cancel its unissued shares by implementing the Share Cancellation.

- (iii) After due deliberation, the Board was of the considered view that a combination of the scrip dividend election scheme and Share Cancellation was optimal for the Company to ensure compliance with the CAC Directive.

**(b) IMPLEMENTATION OF THE SHARE CANCELLATION**

To implement the Share Cancellation, the following key authorisations and actions are required:

- (i) board resolution recommending the Share Cancellation to the Company's shareholders
- shareholders' resolution approving the Share Cancellation and altering the Company's Memorandum and Articles of Association ("MemArts") to reflect the revised share capital of the Company – these resolutions are as set out in the AGM Notice.
  - making the relevant filings at the CAC recording the cancellation of the unissued shares and alteration of the Company's MemArts.
- (ii) Upon conclusion of the Share Cancellation:
- the Company will cease to have unissued shares in its share capital and would thus have complied with the CAC Directive;
  - there shall be no change in the number of issued shares of the Company and/or in the proportional shareholding held by each Shareholder; and
  - there shall be no financial, tax, legal and/or other obligations imposed on the Shareholders in connection with their respective shareholdings in the Company, by reason of the Share Cancellation.

**BY THE ORDER OF THE BOARD**



**AYOMIPO WEY**

Company Secretary

FRC/2013/NBA/00000003124

# DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

## Board of Directors

Mr. Daniel Owor Agbor  
Mr. Folasope Babasola Aiyesimoju  
Mrs. Babafunke Adesua Ijaiya-Oladipo  
Dr. Vitus Chidiebere Ezinwa  
Dr. Umaru Alka  
Mr. Babatunde Oladele Kasali  
Mr. Bolaji Adekunle Odunsi  
Mr. Khalifa Biobaku  
Mrs. Suzanne Olufunke Iroche  
Mr. Karl Olutokun Toriola

Non-Executive Chairman  
Group Managing Director  
Group Finance Director (Appointed w.e.f. 28 July 2021)  
Chief Operating Officer  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director (Appointed w.e.f. 29 March 2022)  
Independent Non-Executive Director  
Independent Non-Executive Director

## Company Secretary/Group General Counsel

Ms. 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](http://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



# Well-being of the Family and Farmers

...the GRAND advantage.



LEADER IN HUMAN AND ANIMAL NUTRITION



**GRAND CEREALS LIMITED**  
...guaranteed well-being



Km 17, Za'ang Roundabout, Jos, Plateau State.  
Care Line: 070-0000-0999 | [www.grandcereals.com](http://www.grandcereals.com) | [info@grandcereals.com](mailto:info@grandcereals.com)

# BOARD OF DIRECTORS



**Mr. Daniel Agbor, 61**  
Non-Executive Chairman



12 November 2015



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



**Mr. Folasope Aiyesimoju, 42**  
Group Managing Director



28 March 2018



Risk Management Committee  
(Member)



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



**Mrs. Funke Ijaiya-Oladipo, 36**  
Group Finance Director



28 July 2021



Risk Management Committee  
(Member)



- B.Sc Economics, University College London, UK (2006)
- M.Sc Project & Enterprise Management, University College London, UK (2009)
- CFA Charterholder (2015)



**Mr. Babatunde Kasali, 68**  
Non-Executive Director



7 March 2013



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



- B.Sc. (Hons) Economics, Manchester Metropolitan University, United Kingdom (1977)
- Fellow, Institute of Chartered Accountants of Nigeria



**Mrs. Suzanne Iroche, 63**  
Independent Non-Executive Director



1 August 2019



Governance and Remuneration Committee (Chairperson)



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



Date of Appointment



Committee Membership



Education and Professional Qualifications



**Dr. Vitus Ezinwa, 49**  
Chief Operating Officer



1 November 2018

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



**Mr. Bolaji Odunsi, 59**  
Non- Executive Director



30 October 2018



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



- B.Sc. (Hons) Degree in Civil Engineering, University of London (1984)
- Diploma in Philosophy, University of London (1984)



**Dr. Umaru Alka, 69**  
Non-Executive Director



7 March 2013



Governance and Remuneration Committee (Member)



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



**Mr. Karl Toriola, 50**  
Independent Non-Executive Director



1 January 2020



Risk Management Committee (Member)



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



**Mr. Khalifa Biobaku, 39**  
Non-Executive Director



29 March 2022



- Risk Management Committee
- Governance and Remuneration Committee



- M.Eng and MA (Hons) in Engineering, Economics and Management, Keble College, Oxford University (2005)
- M.Sc in Real Estate Economics and Finance, London School of Economics



## BOARD OF DIRECTORS



**Mr. Daniel Owor Agbor, 62**  
Non-Executive Chairman

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

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

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

### Current Directorships

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

### Previous Directorships

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



**Mr. Fola Babasola Aiyesimoju, 42**  
Group Managing Director

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

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

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

### Current Directorships

- Chemical and Allied Products PLC, a subsidiary of UACN
- Grand Cereals Limited, a subsidiary of UACN
- UAC Foods Limited, a subsidiary of UACN
- UPDC PLC, an associate company of UACN
- MDS Logistics Limited, an associate company of UACN
- Juven Holdings
- Themis Capital Management
- AM & P Advisory Services
- FoodPro Limited



**Mrs. Funke Adesua Ijaiya-Oladipo, 36**  
Group Finance Director

Mrs. Ijaiya-Oladipo is a high-achieving, results-driven, finance professional. She has over 15 years operational finance, corporate finance and capital markets experience across Nigeria, South Africa, and the United Kingdom.

She was appointed Group Finance Director of UACN with effect from 28 July 2021. Prior to this, she was UACN's Group Chief Financial Officer, with overall responsibility for the company's finance function. Her previous roles with UACN include serving as Head of Investor Relations, responsible for strategic stakeholder management and aligning UACN's capital market activities to its strategic priorities.

Before joining UACN, Mrs. Ijaiya-Oladipo was the Head of Equity Capital Markets at Stanbic IBTC Capital, responsible for providing financing solutions and raising equity capital for public companies.

She has worked at leading global financial institutions including Goldman Sachs and Standard Bank Group where she advised local and international companies on initial public offerings, mergers and acquisitions, and corporate restructurings.

She is a member of the advisory board of Sponsors for Educational Opportunity Africa (SEO Africa), a non-profit leadership development organisation.

### Current Directorships

- UAC Foods Limited, a subsidiary of UACN
- Sponsors for Educational Opportunity Africa (SEO Africa)





**Dr. Vitus Chidiebere Ezinwa, 49**  
Chief Operating Officer

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

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

He is a member of the Advisory Board of Afterschool Graduate Development Centre, member of the Institute of Directors and a Fellow of the Chartered Institute of Personnel and Development (CIPD) UK.

He is a co-founder and Director of HR Network Africa and was until 2014, a member of the Lagos Business School's Advisory Board.

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

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

#### Current Directorships

- Grand Cereals Limited, a subsidiary of UACN
- No Surprises Events Limited



**Mr. Bolaji Adekunle Odunsi, 59**  
Non- Executive Director

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

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

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

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

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

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

#### Current Directorships

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



**Dr. Umaru Alka, 69**  
Non-Executive Director

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

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

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

#### Current Directorships

- Bauchi State Water and Sewage Corporation

#### Previous Directorships

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



**Mr. Babatunde Oladele Kasali, 68**  
Non-Executive Director

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

#### **Current Directorships**

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

#### **Previous Directorships**

- Non-Executive Director (Chairman), UPDC PLC



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

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

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

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

#### **Current Directorships**

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

#### **Previous Directorships**

- Chairman, MTN/Areeba GuineaJumia Africa
- American Towers Uganda
- MTN subsidiaries in Francophone West Africa.



**Mrs. Suzanne Olufunke Iroche, 63**  
Independent Non-Executive Director

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

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

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

In 2009, she was appointed as turnaround CEO of FinBank PLC by the Central Bank of Nigeria (CBN) as part of its financial sector reform programme to ensure financial system stability. She successfully completed the assignment in 2012. She is currently a Director with Strategic Alliance Promotion Company which is involved in Business Consultancy and Investment Promotion.

Mrs. Iroche joined the Board of UACN as an Independent Non-Executive Director with effect from 1<sup>st</sup> August 2019.

#### **Current Directorships**

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

#### **Previous Directorships**

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



**Mr. Khalifa Biobaku, 39**  
Independent Non-Executive Director

Mr. Biobaku is a seasoned finance and investment professional with two (2) decades of experience spanning investment banking, fund management and private equity across Europe, the Middle East and Africa. He has extensive experience in strategy development and execution, capital raising, corporate actions and restructurings, commercial negotiations and effective team building.

Mr. Biobaku is currently a director of Themis Capital Management, and the Founder and Director of: (i) Dalio Property Development Company Limited, an active real estate investment company in Nigeria with a 5.29% shareholding in UAC, and (ii) newAGE-Northstar 1, a UK LLP which actively invests in Africa's digital economy with investments in Flutterwave Inc and Alerzo Pte Limited. He is a Co-founder and Director of GPMT Nationwide, an active real estate investment company.

For almost 10 years, Mr. Biobaku was a Co-Managing Partner of Blakeney Management, London, a specialist emerging markets investment firm with over \$2bn of assets under management. Prior to Blakeney, he worked at Davidson Kempner Partners, London; Morgan Stanley International, London and Goldman Sachs International, London.

Mr. Biobaku graduated with a M.Eng and MA (Hons) degree in Engineering, Economics and Management from Keble College, Oxford University and has a Post-Graduate degree in Real Estate Economics and Finance from the London School of Economics.

#### **Current Directorships**

- Dalio Property Development Company
- Themis Capital Management
- AM&P Advisory Services
- newAGE-Northstar 1
- GPMT Nationwide
- Alerzo PTE LTD

# LEADERSHIP PROFILES: SUBSIDIARY AND ASSOCIATE COMPANIES



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



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



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



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



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



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



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



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



**Mr. Debola Badejo**  
Managing Director,  
UAC Restaurants Limited  
**Appointed: April 2021**



Quick service restaurant executive experienced in strategy, corporate finance, and investments.



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



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



Profile



Employment History



Education and Professional Qualifications




**Dr. Dele Ajayi**

Managing Director,  
UAC Foods Limited  
**Appointed: July 2018**



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



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



PhD in Mechanical and Process Engineering, University of Strathclyde.


**Mrs. Bolarin Okunowo**

Managing Director,  
Chemical and Allied Products PLC  
**Appointed: December 2021**



Seasoned business leader and finance specialist with over 17 years' experience across various disciplines.



Former Managing Director of Portland Paints and Products Nigeria PLC; Former Head, Energy & Infrastructure Finance at Stanbic IBTC Capital



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



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



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



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



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



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

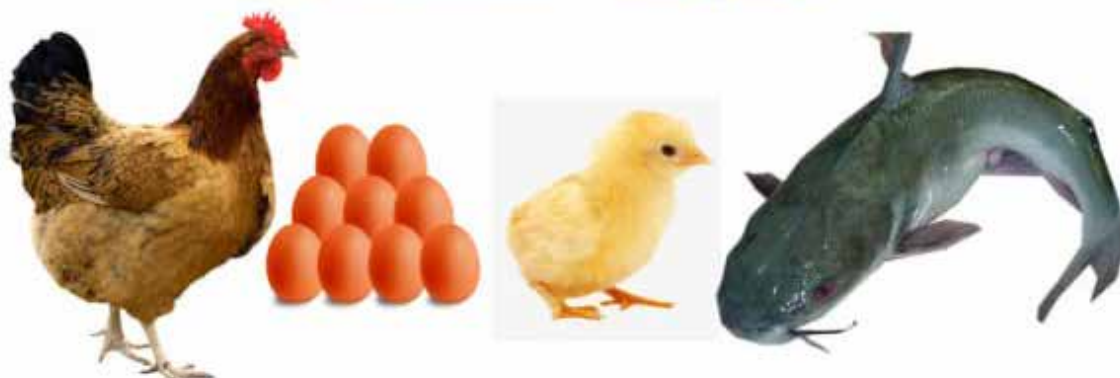


Higher Diploma in Business Management from Damelin South Africa; B.Com (Law) at the University of Pretoria.

# LIVESTOCK FEEDS PLC



*...quality feeds nationwide*



▲ **EXCELLENT FEED CONVERSION RATIO**

▲ **HEALTHY LIVESTOCK PRODUCT**

▲ **SUPPORT OPTIMAL GROWTH AND DEVELOPMENT**

## Head Office

1, Henry Carr Street,  
off Akanni Doherty Road,  
off Oba Akran way,  
Ikeja, Lagos.

## Contact us:

**LAGOS:** 08077281574, 08077281527  
**ABA:** 08077257574, 08077281492  
**ONITSHA:** 08077281485, 08077257575  
**JOS:** 08077281472, 08077281465

**E:** [info@livestockfeedsplc.com](mailto:info@livestockfeedsplc.com)  
**W:** [www.livestockfeedsplc.com](http://www.livestockfeedsplc.com)

## DIRECTOR'S 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 N'000	2020 Restated N'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.

The Directors are also recommending to shareholders for their approval at the Annual General Meeting, a right of election for qualifying shareholders to receive new ordinary shares in the Company instead of final dividend in cash. The election is required to be made on or before June 14, 2022. The reference share price for the purpose of determining the number of shares due to qualifying shareholders who elect for the share option will be a ten-day trading average of the Company's share price on the floor of the Nigerian Exchange, starting June 8, 2022.

Shareholders who do not send in an election for new shares will receive cash.

### 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 December 31, 2021, the Company's Board of Directors (the "Board") was made up of 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 list of the members of the Board as of December 31, 2021 and their classification are as follows:

1.	Mr. Daniel O Agbor	Non-Executive Chairman
2.	Mr. Folasope B Aiyesimoju	Group Managing Director
3.	Dr. Vitus C Ezinwa	Chief Operating Officer
4.	Mrs. Babafunke A Ijaiya-Oladipo	Group Finance Director
5.	Dr. Umaru Alka	Non-Executive Director
6.	Mr. Babatunde O Kasali	Non-Executive Director
7.	Mr. Bolaji A Odunsi	Non-Executive Director
8.	Mrs. Suzanne O Iroche	Independent Non-Executive Director
9.	Mr. Karl O Toriola	Independent Non-Executive Director

Subsequent to the reporting period, Mr. Khalifa Biobaku was appointed as a Non-Executive Director of the Company effective March 29, 2022. Mr. Biobaku's appointment will be presented for approval at this Annual General Meeting.

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, employees and Directors;
- Ensuring compliance with the Company's 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 female inclusion at 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 UACN group.

### Board appointment process

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 UACN 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.

### **Corporate Governance Evaluation**

In line with the provisions of the Nigerian Code of Corporate Governance 2018, an evaluation was carried out to assess the level of the Company's compliance with corporate governance requirements by DCSL Corporate Services Limited. Although the assessment related to the 2020 financial year, same is relevant for 2021. This is because DCSL's audit work was concluded in the third quarter of 2021 and all processes up to said time were reviewed. DCSL's corporate governance audit covered six (6) themes as follows:

1. Board Structure and Composition
2. Board Operations and Effectiveness
3. Measuring and Monitoring of Performance
4. Risk Management and Compliance
5. Succession Planning and Strategy
6. Transparency and Disclosure.

Subsequent to the conclusion of the governance audit exercise, DCSL confirmed that the Company and the Board of Directors substantially complied with the provisions of the NCCG, SCGG, NGX Listing Rules and CAMA, and that the activities of the Board and the Company are to a large extent in compliance with corporate governance best practice.

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

### **Board Evaluation**

To assess the effectiveness of the Board, the Board Committees and of the individual Directors, a Board evaluation was undertaken covering the period of the financial year under review. This was carried out internally by the Company Secretary as permitted by the Nigerian Code of Corporate Governance 2018. The performance of the Board, Board Committees and individual directors were adjudged to be satisfactory and necessary feedback was communicated. Further, the results of the last board evaluation conducted by DCSL Corporate Services Limited was assessed and all recommendations therein have been implemented.

### **Retirement, re-election, and election of Directors**

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](http://www.uacnplc.com)).

### Appointment/Election

Mrs. Babafunke Ijaiya-Oladipo, the Group Finance Director and Mr. Khalifa Biobaku, a Non-Executive Director, who were appointed to the Board since the last Annual General Meeting, will retire at the next Annual General Meeting, and being eligible, offer themselves for election. Mrs. Ijaiya-Oladipo's and Mr. Biobaku's profiles are on the Company's website ([www.uacnplc.com](http://www.uacnplc.com)).

Mr. Biobaku was appointed after the reporting period on March 29, 2022.

### 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

#### Key:

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.

### 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 UACN 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 UACN'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 UACN's policies and processes regarding financial reporting;
- w. Overseeing UACN'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 UACN's cash and debt exposure / borrowings; and
- aa. Monitoring compliance with applicable laws and regulations.

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

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 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

**Key:**

P – Present

AWA – Absent With Apology

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

**The Governance and Remuneration Committee**

The Governance and Remuneration Committee comprises of 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 to the Board;
- 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 carried out by an independent external consultant; and
- 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

### Key:

P – Present

## Terms of Reference of the Statutory Audit Committee

The following are the terms of reference of the Statutory Audit Committee:

- Ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- Reviewing the scope and planning of audit requirements;
- Keeping under review the effectiveness of the Company's system of accounting and internal control;
- Making recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Company;
- 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;
- 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 which regulates 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 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

Directors	Designation	Years in Service
Mr. Daniel Agbor	Non-Executive Chairman	6 years 1 month
Mr. Folasope Aiyesimoju	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

Directors	March 30, 2021		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. Khalifa Biobaku	Nil	Nil	Nil	152,380,473

Mr Daniel Agbor's indirect shareholding is held through Oakbrook Investments Limited.

Mr. Folasope Aiyesimoju and Mr. Khalifa Biobaku are directors in Themis and AM&P with a combined holding of 630 million units. Mr. Biobaku is a director and shareholder of Dalio Property Development Company (Nigeria) which owns 152,380,473 shares (i.e. 5.29%) of the Company.

### 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 and there are currently no cases of claw back being pursued by the Company.

### 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.

Dated this 29<sup>th</sup> day of March, 2022

### BY ORDER OF THE BOARD



**Ayomipo Wey**

Company Secretary

FRC/2013/NBA/00000003124



# Do MORE with less



A Dulux stroke gives superior coverage

  
**Dulux**  
let's colour

 **CAP**

# HUMAN RESOURCES REPORT

## Building a Sustainable People Agenda

UAC of Nigeria PLC ("UACN" or the "Company") along with companies across the world has gone through the pandemic and has had our norms and ways of doing business challenged. To forge ahead positively, UACN is looking to build a sustainable business in the new normal. Achieving this fit will require a dedicated focus on our No 1 asset – our people.

In the course of the year, we made adjustments to the way we recruit, work, learn and measure performance through the use of technology. Whilst this has further disrupted our traditional ways of working, it has also resulted in high levels of trust and a keen sense of personal responsibility and accountability on the part of our employees. As key stakeholders in the business, employees have demonstrated a strong motivation to achieve business objectives despite the challenges faced day to day.

As an equal opportunity employer, we continue to strengthen our teams by taking proactive steps to improve diversity and promote inclusion through open interactions and measurement of progress. We ensure all current and prospective employees have equal access to training opportunities and are rewarded solely on the basis of their performance. Above all we have recognised the need as a company to constantly evolve, build a positive culture and ensure the continued wellness and safety of our people.

### 1. Talent Management

To ensure we deliver on our current and future corporate objectives, UACN attracts, motivates and retains the best available talent. We are able to achieve this by building a compelling employee-led employer value proposition which helps us stand out in the labour market.

Our approach to attracting talent ensures that there is no discrimination between people of different genders or belonging to other groups: our employees are selected, appointed, and nurtured exclusively on the basis of their qualifications and abilities.

We aim to make certain that all employees bring their whole selves to work; so we are keen to ensure that throughout a UACN employee's lifecycle, our policies are favourable to all employee groups. We make concessions as may be required to ensure a pleasant work life with policies such as: the six months maternity leave, access to paternity leave and the onsite creche are some examples of the way we ensure our employees are comfortable whilst meeting their corporate objectives.

On our journey to building a sustainable business, it is imperative to maintain a continuous pipeline of young talent not only to drive the business in the medium to long term, but also to give back to the society by introducing the young workforce to our superior mode of work. We have partnered with some organizations to train young graduates through comprehensive internship programs of varying durations. Through these internships, we hope to contribute to grooming the future workforce in Nigeria.

### 2. Performance, Rewards and Recognition

At UACN, it is important to us that our employees' individual performance objectives are fully aligned with our corporate objectives. We all have clear performance indicators and understand how our jobs impact the larger business objectives. Regular check-ins take place between employees and their line managers to align execution and to allow managers observe and develop their teams.

With our hybrid work model, we believe that work should be integrated into our daily lives, this makes it possible for UACN to have fully engaged employees who are also excelling in other areas of their lives. Based on a culture of trust and our effective performance management system, flexible working hours and telecommuting are a natural part of the way we work. Being able to work wherever and whenever necessary, regardless of time or place, improves employees work-life balance. At UACN, we measure performance by results and not by presence.

Our People Review sessions in our portfolio companies and at UACN give us clarity on talent density within the business and possible gaps which we are able to proactively bridge. Executive teams are also assessed to ensure we have good leaders at the helm of the affairs for our portfolio companies. Intercompany departmental catch-up sessions were also established to promote synergies and economies of scale where necessary.

Our remuneration system has as its foundation, an appropriate and competitive level of base pay, which all employees receive in accordance with market conditions. This is aligned with the requirements of the position, local market conditions, individual performance, and the development potential of the employee. In addition to the base pay, we strive to reward the individual performance of our employees with attractive incentives. There is no systematic difference between the compensation received by male and female employees.

### **3. People Development**

At the heart of our objective of building a sustainable business, is our desire to continuously upskill our employees so that they can develop, excel and reach their full potential at UACN. In line with our learning philosophy, we are committed to providing comprehensive on-the-job learning experiences which are proven to create longer lasting skill development. In addition, we provide other systematic training to give employees the skills they need in various formats including traditional classroom training, e-learning and peer learning.

To build a learning organization that we desire, each employee at UACN is considered to be in the driving seat of their professional development. Hence, we provide 24 hours access to various learning platforms to enable on-demand, bite-size capability development. Our one-to-one check-in sessions also provide a platform for employees to connect and express preferred career paths.

Whilst we hope that employees would spend all of their working careers with us, we also proactively engage our teams to understand their future personal development objectives and find a common ground. This further engrains our culture of trust and care for each employee's needs.

### **4. Diversity and Inclusion**

Diversity at UACN represents the variety of talent, attitudes, perspectives, strengths, abilities and characteristics of our employees and business partners. We embrace our differences as strengths that contribute to creativity, innovation and invariably business success.

As a company with a broad business portfolio, UACN has an inclusive working environment in which every employee is valued, and individual performance is recognized regardless of visible differences like gender and invisible differences like experience, values, education, sexual orientation, origin or religious background.

With regards to gender focused initiatives, the UACN executive team had a 60% female representation until November 2021 when one of the members left to head one of the portfolio companies as the Managing Director. We are taking proactive steps in ensuring the participation of women in our business operations both at UACN and our portfolio companies.

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

### **5. Health, Safety and Welfare of Employees**

The health, safety and wellness of every UACN employee is paramount. Our business premises is designed with a view to guaranteeing the safety and healthy living conditions of our employees and stakeholders alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical cover for its employees and their immediate families.

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

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



# MUNCH MORE AT MR BIGG'S



 **07080601163, 08031230455 (TOLL FREE)**



**mrbiggs online**



**mrbiggsnigeria**



**www.mrbiggs.com.ng**



**mrbiggsng**



**customercare@uacrestaurants.com**



# SUSTAINABILITY REPORT

## Overview

We have identified Environmental, Social and Governance (ESG) best practice as a key value creation lever. As such, ESG considerations are engrained in our decision-making and business processes. We believe that investments in ESG will result in sustainable, long-term benefit to our stakeholders by delivering greater profitability, contributing to the development of our host communities and contributing positively to the environment. Research indicates that businesses with sound ESG practices are better at navigating risks and deliver higher profitability in the long run.

In addition to the direct benefit to our stakeholders, we believe businesses across the world must adopt sound ESG practices to contribute towards addressing complex global challenges like climate change, food security and availability of healthcare.

Our approach to driving ESG best practice includes:

- Include ESG issues in investment analysis and decision-making processes.
- Integrating ESG into our business policies and practices.
- Active engagement with our stakeholders on ESG topics including our goals and performance against these goals.
- Reporting on ESG Initiatives.

## Corporate Social Investment

We view Corporate Social Investment ("CSI") as an integral component of ESG best practice. At UACN, we channel our CSI in our host communities, which given our nationwide spread of manufacturing and distribution facilities means that we impact thousand of lives across Nigeria. Our host communities grant us our license to operate and as such our focus is on ensuring that our operations leave positive, lasting impact in these communities.

To maximise the impact of our CSI, we have streamlined our focus to three (3) areas:

- Community support and development.
- Early childhood education.
- Paediatric healthcare.

Examples of CSI initiatives we embarked on over the year include borehole and transformer donations to communities in dire need of water and energy, sponsorship of 100 young girls through the WIMBIZ big sister programme, partnership with Lagos State on the renovation and painting of a public school in Maryland as a pilot phase to a long term partnership, orphanage partnership with the Manufacturers Association of Nigeria (MAN), improving the livelihood of over 1,000 farmers through training on sustainable poultry farming and fostering public hygiene via donation of public toilets.

The table below provides the breakdown of CSI and donations across UACN Group in 2021.

Company	Description of donation	Cost (N'000)
<b>UACN</b>	Donation to CACOVID in relation to COVID-19	100,000
<b>LSF</b>	Donation of community borehole to Aba Mill host community	5,002
	Construction of Poultry Pen and donations of cages, birds, poultry feeds to Sanngo Secondary School, Agege, Lagos	1,224
<b>CAP</b>	Renovation and Repainting St. Agnes School Maryland Phase 1 (Paint Donation, Volunteers, etc.)	3,892
	Cash donation to WIMBIZ Big Sister Program	500
	Painting of National Union of Chemical Footwear Rubber Leather and Non-Metallic Products (NUCFRLANMPE) Secretariat	210
	Paint donation to Wemabod Estate	29

Company	Description of donation	Cost (N'000)
UFL	Scholarship	1,965
	Donations to Manufacturer's Association of Nigeria, Ikeja and Amuwo Odofin Branch	354
	Donations of UAC Foods products to host communities	255
	Donations during the Lagos State Disability Games	186
UACR	Donations to celebrate World food day in partnership with Nova Diamond Foundation to give out 1,500 packs of Mr. Bigg's chop-up meal at Ojota Grammar School	975
	Mr. Bigg's activations; back to school promotion at 5 company-owned stores	n/q
		<b>114,591</b>

n/q Not quantifiable

### ESG Implementation Focus

We have identified energy optimization as a focus area in driving the environmental aspects of our ESG agenda. We adopt a two-pronged approach of measuring and reducing energy consumption and switching to cleaner sources of energy. We have installed solar power generation at two of our factories and aim to expand this further. We also utilize gas instead of diesel where possible to manage emissions. Efficiency in Energy Management Systems has earned us ISO 5001 certification in our subsidiary, Grand Cereals Limited.

### Procurement and Ethical Operating Procedures

UACN conducts its procurement activities in a fair and ethical manner, providing opportunities for members of its host community to be a part of the supply chain. Suppliers of goods and services are engaged based on non-discriminatory criteria and treated fairly and in accordance with contractual terms. We strive for transparency in our procurement processes.

We support farming communities and cooperatives where we source agricultural raw materials by providing technical assistance on sustainable production methods. We also optimize the delivery of raw materials from farms to our production plants. We conduct webinars on subjects relevant to our partners in the agriculture value chain, with more than 300,000 farmers reached thus far.

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

Our stakeholders are expected and encouraged to adhere to principles consistent with ours, to encourage this, UACN has instituted an annual Code of Business Conduct program. This includes:

- Communication of key elements of the Code of Business Conduct during employee induction;
- Annual assessment and attestation to the requirements of the Code of Business Conduct by employees;
- Communication of Code of Business Conduct requirements to service providers/suppliers, contractors, and agents; and
- Inclusion of a standard clause confirming compliance with the requirements of the Code of Business Conduct in purchase orders, request for proposals, award letters, contracts and service level agreements with trade partners.

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

Feedback from our customers is key to our growth and improvement. We regularly engage our customers to gain insight on approaches for product, process or service improvement. Customer satisfaction surveys are conducted as part of the feedback system. The customer care units at our various businesses collate and monitor customer feedback. We conduct training sessions for key distributors and agents, enlightening them on how to derive maximum benefits from our products.

Our products are formulated to be eco-friendly without compromising quality and standards. We work closely with relevant regulatory bodies such as NAFDAC, SON, NESREA, and LASEPA to achieve this objective. We aim to provide clear product information and have received positive feedback from regulators in this regard.

## Diversity and Inclusion

We believe that diverse teams take better decisions, achieve better performance and deliver superior results. As such we actively promote diversity by gender, socio-economic background, religion, political orientation, age, and ethnicity.

Key elements in driving diversity and inclusion include setting clear targets, ensuring diverse sets of candidates are interviewed for available roles, and measuring progress. We also work to ensure the work environment is conducive for each employee to deliver their best. We aim to ensure diversity and inclusion are achieved at the most senior levels of our businesses and cascade throughout the organization. An area we are paying particular attention to is gender diversity, seeking to understand factors that limit outstanding women in junior and middle management roles from progressing to the most senior roles within our businesses.

In 2021, UACN collaborated with the International Finance Corporation (IFC) and Nigerian Exchange Group (NGX) and committed to reducing gender gaps in Nigeria's private sector via the Nigeria2Equal Gender Program. The program aims to reduce gender gaps across leadership, employment, and entrepreneurship in Nigerian private sector companies.

As part of the program, UACN has committed to the following over the next two and a half years.

S/N	Commitment	Description of Commitment
1	Promote women's leadership and employment	<ul style="list-style-type: none"> <li>Undertake a group-wide workforce gender diagnostic to better understand gender gaps, and to develop and implement an action plan towards closing identified gaps.</li> <li>Create a respectful and safe working environment for the women working at UACN. This includes (i) update / implement respectful workplace and sexual harassment policies; (ii) Implement annual gender sensitivity training for supervisors and management; (iii) implement family friendly policies to provide extended paid maternity/paternity leave for working parents; (iv) provide on-site creches for nursing mothers.</li> </ul>
2	Promote women's entrepreneurship	<ul style="list-style-type: none"> <li><b>Support women-owned businesses in distribution networks:</b> Develop and implement an action plan towards tackling challenges faced by female distributors, and to provide more opportunities for five or more women distributors across our subsidiary supply chain.</li> <li><b>Pursue a gender-inclusive sourcing strategy:</b> Develop a gender inclusive sourcing and distribution strategy.</li> </ul>
3	Promote women's education	<ul style="list-style-type: none"> <li>Provide women focused scholarships for primary and secondary level students with a focus on young girls from communities where subsidiaries of UACN operate.</li> </ul>
4	Championship and advocacy	<ul style="list-style-type: none"> <li>Host/Identify and participate in initiatives to promote gender equality as a proactive business strategy such as speaking in a panel.</li> <li>Join the UN-WEPs voluntary code.</li> <li>Include a dedicated section reporting on gender focused initiatives within the annual company report e.g., indicating commitments to reduce gender gaps, any activities undertaken towards the achievement of this objective, progress in women's participation in the business operations etc.</li> <li>UACN Group Managing Director and Executives to use their official platforms to advocate for workplace gender equality annually.</li> </ul>

## Labour Practices

Core to our strategy is attracting, developing, and retaining a talented workforce primed to deliver value to our stakeholders. We actively court talented individuals for roles in our businesses and conduct rigorous assessments for competence and fit prior to extending employment offers. UACN has been proactive in external talent pipelining, graduate trainee recruitment drives, providing competitive remuneration, and best in-class short and long-term performance incentives.

We believe regular engagement between managers and their direct reports is a fundamental aspect of people management that allows for rapid escalation of issues, dissemination of corporate objections, knowledge sharing and brainstorming on solutions to challenges. Regular engagement across the organization fosters a sense of ownership and belonging.

Employees at UACN have well-articulated development plans created with meaningful contribution from individual employees. We leverage technology to provide employees with unconstrained access to learning platforms enabling employees to determine their pace of learning.

A key aspect of our culture is respect, which is deeply embedded in our shared values. We believe that everyone should be treated with dignity, kindness and consideration providing the ideal condition to deliver their best work. To foster a work environment that supports employee happiness our human resources policies cater for:

- Respect for individuals
- Freedom of association and collective bargaining
- Freedom from all forms of discrimination and harassment
- Adherence to safety and healthy workplace
- Prohibition of child labor
- Prohibition of forced labor and human trafficking
- Respect for work hours, wages and benefits

We ensure strict adherence to respect for human rights in accordance with the United Nations Guiding Principles on Business and Human Rights, African Charter on Human and Peoples' Rights, Constitution of the Federal Republic of Nigeria and other relevant local statutes. Due to the strict adherence to the company's policies, no case of human rights abuse was filed against the company or any of its subsidiaries in 2021.

## Governance

UACN is a holding company with subsidiary and associate companies. UACN has been deliberate in strengthening boards of directors and management teams at the holding company and across the Group capable of effective management and robust governance oversight. Governance and controls have been identified as a key value creation focus for us at UACN.

Achieving effective governance and controls entails a mix of the right people in the right roles, adequate policies and procedures supported by technology. We have zero tolerance for breaches to law and regulations and strictly comply with anti-bribery and anti-corruption provisions. Our standards as relates to ethics extends to our directors, employees, consultants, vendors and business partners and are articulated in the UACN Code of Business Conduct.

Our Risk and Compliance, Human Resource and Legal Services Departments reinforce the requirement for full compliance with law, regulations, and Company policy. Outsourced whistle blowing mechanisms are also in place to allow employees and other stakeholders report infractions with full confidentiality and anonymity. Employees found culpable of breaching our policies are promptly sanctioned according to our sanctions grid after an investigation. The Company sensitizes directors and employees to the UACN Code of Business Conduct annually and in the process obtains their subscription to abide by its provisions.

## RISK MANAGEMENT

UAC of Nigeria PLC's ("UACN" or the "Company") risk management policies are established to identify, analyse, and measure the risks faced by the Company, set appropriate limits and controls, monitor risks and adherence to limits. These policies are subject to periodic reviews based on changes in regulations, laws, market conditions, or business activity. UACN aims to develop a disciplined control environment, in which all employees understand their individual and collective roles and responsibilities.

The Company has a robust and functional Enterprise Risk Management ("ERM") framework that is designed to govern, identify, measure, control, manage and report the inherent and residual risks the Company is exposed to. The Company's ERM framework is modelled on two leading ERM implementation standards; the AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines, and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework expanded to incorporate "COSO Internal Control-Integrated Framework".

### Our Risk Management Governance Structure

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and has delegated certain aspects of executing this function to the Board Risk Management Committee ("BRMC" or the "Committee")

The Board Risk Management Committee is a committee of the Board of Directors responsible for oversight of the risk management policies and practices of the Company and oversight of the operation of UACN's risk management framework. The Committee assists the Board of Directors in fulfilling its oversight responsibilities regarding the Company's risk appetite, risk management and compliance framework, and the governance structure that supports it. Our risk appetite is the level and type of risk we are able and willing to assume in our business activities, given our business objectives and obligations to stakeholders.

The BRMC is assisted by the Management Risk Committee ("MRC") in identifying, assessing, and monitoring risks arising from the day-to-day activities of the Company. The Management Risk Committee meets periodically. Other committees may be constituted on an ad-hoc basis in furtherance of risk management, as necessitated by the evolving realities (economic, regulatory, etc.) and the new risks observed. The Board Risk Management Committee and the Management Risk Committee are responsible for reviewing and recommending risk management policies and procedures, as well as frameworks for assessing risk appetite and tolerance to the Board.

The Company has a Risk and Compliance function that coordinates risk management activities and drives the implementation of approved risk policies and practices.

Additionally, UACN has an internal audit function that reports functionally to the Board through the Statutory Audit Committee and administratively to the Group Managing Director on the effectiveness of the risk management and control practices in the Company. The internal audit function provides independent assessment and evaluation on the adequacy and effectiveness of the risk management and internal control framework, and assurance on the Company's compliance with statutory and regulatory provisions.

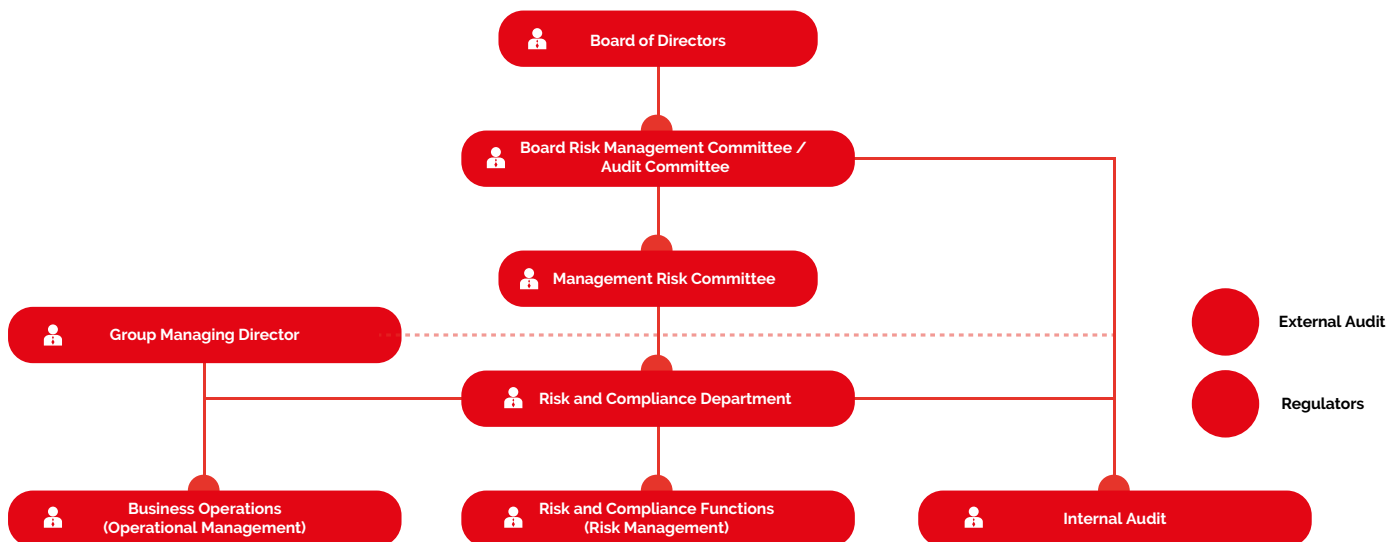
The Board recognises risks inherent in the Company's business operations, and such, to derive optimal returns for the benefit of its stakeholders, has approved the following key policies:

- Risk Management (ERM) Policy
- Code of Conduct Policy
- Data Backup and Disaster Recovery Policy
- Information Security Policy
- Securities Trading Policy
- Whistleblowing Policy
- Data Privacy and Protection Policy
- Shareholders Complaint Management Policy
- Gift and Entertainment Policy
- Stakeholder Engagement and Communication policy



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

### UAC Risk Governance Framework



#### First line

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

#### Second line

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

#### Third line

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

## Broad Risk Categorisation

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

Risk category	Key risk / Exposure areas
<b>Credit Risk</b>	<p>Arises when counterparties fail to meet their obligation. Two notable areas of exposure are:</p> <ul style="list-style-type: none"> <li>• Default risk: where we are exposed to a counterparty that is unwilling or unable to fulfill its contractual obligations</li> <li>• Downgrade risk: the risk that the Company is exposed to a counterparty that might be downgraded by a rating agency</li> </ul>
<b>Market Risk</b>	<p>Interest rate risk: the potential for investment losses by the Company that result from a change in interest rates.</p> <ul style="list-style-type: none"> <li>• Foreign exchange risk: the risk of holding financial assets denominated in a currency other than Naira (UACN's reporting currency).</li> <li>• Property price risk: The Company's real estate portfolio is subject to property price risk arising from adverse changes in the valuation of properties</li> </ul>
<b>Commodity price risk:</b>	<ul style="list-style-type: none"> <li>• The risk of financial loss to the Company due to fluctuations in the prices of commodities driven by external market forces</li> </ul>
<b>Liquidity Risk</b>	<p>Risk of loss on account of insufficient liquid assets to meet cash flow requirements or fulfill our financial obligation. Our notable areas of exposure are:</p> <ul style="list-style-type: none"> <li>• Asset liquidity: The risk that the Company is unable to execute a transaction at the prevailing market price because there is, temporarily, no appetite for the deal on the other side of the market</li> <li>• Funding liquidity: This relates to Company's inability to raise the necessary cash service its debt; meet working capital requirements; cash, margin, and collateral requirements of counterparties</li> </ul>
<b>Operational Risk</b>	<p>The risk of loss resulting from inadequate or failed internal processes, people (people risk), systems, or external events</p>
<b>Strategic Risk</b>	<p>The risk that failed business decisions may pose to a company</p>
<b>Regulatory Risk</b>	<p>The risk that a change in regulations and law might affect the company's business operations</p>
<b>Reputational Risk</b>	<p>The risk of loss resulting from damage to the company's reputation, loss in revenue; increased operating, capital, or regulatory costs; or destruction of shareholder value, consequent to an adverse event, regardless of the final determination of such event.</p>
<b>Emerging Risk</b>	<p>A condition, situation, or trend that could significantly impact the company's financial strength, competitive position, or reputation over a five-year horizon and involves a high degree of uncertainty.</p>
<b>Business Continuity Risk</b>	<p>The risk that the continued operation of the company is threatened due to unforeseen events such as natural disaster, fire, flood, pandemic.</p>

## OUTSTANDING INVENTORY MANAGEMENT

We store goods and materials in their pristine form in our safe, secure and well equipped facilities.



## SECURE HAULING

We move goods and materials professionally to and from various locations in good time and condition.



## MULTIPLE DISTRIBUTION POSSIBILITIES

We distribute client products to their target market and end users.



## SPECIALISED SERVICES

We provide targeted support services to pharmaceutical companies, by ensuring proper handling of their products from the production line to retail pharmacies.



## PACE SETTING

Whether urban or remote, our telecom logistics services keep Nigerians connected.



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



a partnership between  & 

Plot 32, Kudirat Abiola Way, Oregun, Lagos | [www.mdslogistics.net](http://www.mdslogistics.net)

Tel: (+234) 704 059 8992 | email: [info@mdslogistics.net](mailto:info@mdslogistics.net)

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2021

Investor Relations Statement	66
Certification pursuant to section 405(1) of Companies and Allied Matters Act, 2020	67
Statement of Directors' Responsibilities	68
Audit Committee Report	71
Independent Auditors' Report	73
<b>Audited Financial Statements</b>	
Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income	79
Consolidated and Separate Statement of Financial Position	81
Consolidated and Separate Statement of Changes in Equity	83
Consolidated and Separate Statement of Cash Flows	86
Notes to the Consolidated and Separate Financial Statements	88
<b>Other National Disclosures</b>	
- Shareholding Structure/Free Float Status	181
- Statement of Value Added	182
- Five Year Financial Summary - Group	183
- Five Year Financial Summary - Company	184

## 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](mailto:investorrelations@uacnplc.com); or telephone on: **+234 906 269 2908** for any investment related enquiry.



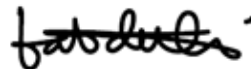
## **CERTIFICATION PURSUANT TO SECTION 405(1) OF COMPANIES AND ALLIED MATTERS ACT, 2020**

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



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

## STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

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

The responsibilities include ensuring that:

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

The consolidated and separate financial statements of the Group and Company for the year ended 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/0000001748



**Mr. Folasope Aiyesimoju**

Group Managing Director

FRC/2019/IODN/00000019806

**Supreme**

**NEW**

**EXCITING  
LOOK**



**...SAME YUMMY TASTE.**

**UAC FOODS**

## AUDIT COMMITTEE MEMBERS



**Mr. Olabisi Fayombo**  
Chairman



**Mr. Matthew Akinlade**  
Member



**Mr. Kenneth Nnabike**  
Member



**Mr. Babatunde Kasali**  
Member



**Mr. Bolaji Odunsi**  
Member

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

In compliance with Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Consolidated and Separate Audited Financial Statements of the Group and Company for the year ended 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/00000002883

Dated 28<sup>th</sup> 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



# TRIPLE-DECKER®



0708 060 1163, 0803 123 0455  
**TOLL FREE**

**DEBONAIRS PIZZA**



**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](http://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.

KPMG Professional Services, a partnership registered in Nigeria, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Registered in Nigeria No BN 066025

##### Partners:

Adigoke A. Oyelami	Ayodele H. Othman	Joseph O. Tegbe	Clarke I. James	Seyi I. Ogunbemis
Adesunla A. Elebute	Bisale S. Afolabi	Kabe O. Okunola	Olufemi A. Babem	Semiope A. Odetun
Adigbole P. Adeyemi	Chibuzor N. Anyanwachi	Lawrence C. Amadi	Olumide O. Olayinka	Toluwalope A. Odule
Adewale K. Ajayi	Chineme B. Nwagbo	Mertins I. Aroge	Olusegun A. Sowande	Uzoedemba G. Nwankwo
Ajibola O. Olanla	Elash O. Odegunmoye	Mohammed M. Adama	Olutayo I. Ogunlowo	Victor U. Oyejika
Akunyemi Ashade	Goodluck C. Obi	Nneke C. Euna	Olufemi D. Awetoyi	
Ayobami L. Salami	Ikromi M. Adipolu	Olabinpe S. Afolabi	Olufemi A. Gbagi	
Ayodele A. Soyinka	Ijeoma T. Emezie-Ezigo	Oludimaj I. Salaudeen	Oseme J. Obaide	



## 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"> <li>• 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.</li> <li>• We selected a sample of investment properties based on high fair value changes in the year ended 31 December 2021 and performed the following procedures: <ul style="list-style-type: none"> <li>- we obtained comparative price analysis of recent transactions supporting the fair market value determined for the sample of investment properties selected.</li> <li>- 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.</li> <li>- we checked whether there are any properties with encumbrances and that this was considered in the determination of fair value.</li> </ul> </li> <li>• We checked that the classification and disclosures in the financial statements were relevant as required by IAS 40: Investment Property.</li> </ul>



## 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 Revenue from contracts with customers.</p> <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>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the design, implementation and operating effectiveness of identified controls established within the sales process.</li> <li>• We selected a sample of revenue transactions using statistical sampling methods and performed the following procedures: <ul style="list-style-type: none"> <li>- 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).</li> <li>- 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.</li> </ul> </li> <li>• 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.</li> <li>• 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.</li> <li>• We checked that disclosures in the financial statements were adequate and relevant as required by IFRS 15: Revenue from Contracts with Customers</li> </ul>



### 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"> <li>• We evaluated the design, implementation and operating effectiveness of identified controls established within the inventory management process.</li> <li>• We observed year-end physical inventory count exercise and reviewed the related reconciliation and inventory measurement performed by management.</li> <li>• We reviewed the process and basis of overhead absorption and evaluated the appropriateness and reasonableness.</li> <li>• 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.</li> <li>• We selected a sample of inventories using statistical sampling methods and performed the following procedures: <ul style="list-style-type: none"> <li>- we checked for the appropriateness of the Group's inventory measurement method in line with the requirements of IAS 2: Inventories and performed inventory pricing test on the sample of inventories selected.</li> <li>- we performed net realisable value tests on the sample of inventories selected.</li> </ul> </li> <li>• We checked that the disclosures in the financial statements were adequate and relevant as required by IAS 2: Inventories</li> </ul>

#### 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.

- 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.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- 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



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

for the year ended 31 December 2021

The Group		The Group		The Company	
	Notes	31 Dec 2021 N'000	Restated 31 Dec 2020 N'000	31 Dec 2021 N' 000	Restated 31 Dec 2020 N' 000
<b>Continuing operations</b>					
Revenue	5	101,376,839	81,357,960	877,457	758,447
Cost of sales	8	(83,837,291)	(65,367,532)	-	-
<b>Gross profit</b>		<b>17,539,548</b>	<b>15,990,428</b>	<b>877,457</b>	<b>758,447</b>
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)
<b>Operating profit/(loss)</b>		<b>4,921,860</b>	<b>3,274,383</b>	<b>1,388,986</b>	<b>(3,805,247)</b>
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	-	-
<b>Profit/(loss) before tax</b>		<b>4,108,373</b>	<b>5,084,981</b>	<b>2,487,246</b>	<b>(2,061,677)</b>
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)
<b>Discontinued operations</b>					
(Loss)/profit after tax for the year from discontinued operations	37	(2,105)	469,662	-	-
<b>Profit/(loss) for the year</b>		<b>2,587,054</b>	<b>3,858,060</b>	<b>2,344,624</b>	<b>(2,509,588)</b>
<b>Other comprehensive income:</b>					
<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	-	-
<b>Other comprehensive income/(loss) for the year net of tax</b>		<b>(24,026)</b>	<b>212,102</b>	<b>36,000</b>	<b>140,642</b>
<b>Total comprehensive income/(loss) for the year net of tax</b>		<b>2,563,028</b>	<b>4,070,162</b>	<b>2,380,624</b>	<b>(2,368,946)</b>
<b>Profit/(loss) attributable to:</b>					
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	-	-
		<b>2,587,054</b>	<b>3,858,060</b>	<b>2,344,624</b>	<b>(2,509,588)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the parent		1,782,881	2,822,625	2,380,624	(2,350,234)

The Group			The Company	
Notes	31 Dec 21 N'000	Restated 31 Dec 21 N'000	31 Dec 20" N' 000	Restated 31 Dec 20 N' 000
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 kobo per share):				
Basic earnings/(loss) per share				
From continuing operations12	63	69	81	(87)
From discontinued operations12	(0)	21	-	-
From profit/(loss) for the year	63	90	81	(87)
Diluted earnings/(loss) per share				
From continuing operations12	63	69	81	(87)
From discontinued operations12	(0)	21	-	-
From profit/(loss) for the year	63	90	81	(87)

# AUDITED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

		The Group			The Company		
	Notes	31 Dec 21 N' 000	Restated 31 Dec 20 N' 000	Restated 1 Jan 20 N' 000	31 Dec 21 N' 000	Restated 31 Dec 20 N' 000	Restated 1 Jan 20 N' 000
<b>Assets</b>							
<b>Non-current assets</b>							
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	-	-	-
<b>Total non-current assets</b>		<b>42,028,845</b>	<b>41,001,587</b>	<b>26,019,191</b>	<b>34,384,900</b>	<b>29,142,138</b>	<b>19,521,565</b>
<b>Current assets</b>							
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	-	-	-
<b>Total current assets</b>		<b>55,884,684</b>	<b>50,427,242</b>	<b>44,769,683</b>	<b>6,553,305</b>	<b>16,938,894</b>	<b>25,372,837</b>
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	-	-	-
<b>Total assets</b>		<b>98,463,387</b>	<b>91,698,190</b>	<b>107,160,896</b>	<b>41,068,205</b>	<b>46,211,032</b>	<b>48,552,822</b>
<b>Equity and Liabilities</b>							
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



	Notes	The Group			The Company		
		31 Dec 21 N' 000	Restated 31 Dec 20 N' 000	Restated 1 Jan 20 N' 000	31 Dec 21 N' 000	Restated 31 Dec 20 N' 000	Restated 1 Jan 20 N' 000
<b>Equity attributable to equity holders of the Company</b>		45,981,475	52,005,707	49,521,342	31,805,046	36,679,989	39,337,064
<b>Non controlling interests</b>		4,856,831	8,669,797	10,412,287	-	-	-
<b>Total equity</b>		<b>50,838,306</b>	<b>60,675,504</b>	<b>59,933,629</b>	<b>31,805,046</b>	<b>36,679,989</b>	<b>39,337,064</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
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	-	-	-
<b>Total non-current liabilities</b>		<b>5,348,693</b>	<b>6,774,525</b>	<b>6,522,464</b>	<b>455,987</b>	<b>454,703</b>	<b>24,625</b>
<b>Current liabilities</b>							
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	-	-	-
<b>Total current liabilities</b>		<b>42,234,294</b>	<b>24,206,067</b>	<b>26,049,927</b>	<b>8,807,172</b>	<b>9,076,340</b>	<b>9,191,133</b>
Liabilities of disposal group classified as held for sale/ distribution to owners	37	42,094	42,094	14,654,876	-	-	-
<b>Total liabilities</b>		<b>47,625,081</b>	<b>31,022,686</b>	<b>47,227,267</b>	<b>9,263,159</b>	<b>9,531,043</b>	<b>9,215,758</b>
<b>Total equity and liabilities</b>		<b>98,463,387</b>	<b>91,698,190</b>	<b>107,160,896</b>	<b>41,068,205</b>	<b>46,211,032</b>	<b>48,552,822</b>

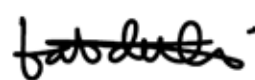
The financial statements and the notes on pages 79 to 180 were approved and authorised before issue by the board of directors on 29 March 2022 and were signed on its behalf by:



**Mr. Dan Agbor**  
Chairman  
FRC/2013/NBA/0000001748



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



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

# AUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

## for the year ended 31 December 2021



The Group										
Attributable to owners of the Company										
	Share Capital N'000	Share Premium N'000	Contingen- cy Reserve N'000	Fair value Reserve N'000	Other Reserve N'000	Equity Settled Share- based Payment Reserve N'000	Retained Earnings N'000	Total N'000	Non controlling Interest N'000	Total N'000
<b>Total equity at 1 January 2021</b>	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
<b>Other comprehensive income</b>										
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)
<b>Transactions with Equity holders</b>										
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)
<b>Balance at 31 December 2021</b>	<b>1,440,648</b>	<b>14,174,606</b>	<b>69,571</b>	<b>215,845</b>	<b>91,923</b>	<b>98,931</b>	<b>29,889,951</b>	<b>45,981,475</b>	<b>4,856,831</b>	<b>50,838,306</b>

<b>Total equity at 1 January 2020</b>	<b>1,440,648</b>	<b>18,451,844</b>	<b>69,571</b>	<b>27,770</b>	<b>91,923</b>	<b>29,997,823</b>	<b>50,079,579</b>	<b>10,461,833</b>	<b>60,541,412</b>
Impact of restatement of comparative information	39					(558,238)	(558,238)	(49,546)	(607,784)
<b>Restated balance at 1 January 2020</b>	<b>1,440,648</b>	<b>18,451,844</b>	<b>69,571</b>	<b>27,770</b>	<b>91,923</b>	<b>29,439,585</b>	<b>49,521,341</b>	<b>10,412,287</b>	<b>59,933,628</b>
Profit for the year	-	-	-	-	-	2,591,811	2,591,811	1,266,249	3,858,060
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-
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
<b>Transactions with Equity holders</b>									
Acquisition of NCI	-	-	-	-	-	(1,258)	(1,258)	(10,126)	(11,384)
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)
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
<b>Total equity as at 31 December 2020</b>	<b>1,440,648</b>	<b>18,071,545</b>	<b>69,571</b>	<b>239,872</b>	<b>91,923</b>	<b>32,092,148</b>	<b>52,005,707</b>	<b>8,669,797</b>	<b>60,675,504</b>

# AUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2021

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

# CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

## for the year ended 31 December 2021

	Notes	The Group		The Company	
		31 Dec 21 N' 000	Restated 31 Dec 20 N' 000	31 Dec 21 N' 000	Restated 31 Dec 20 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)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>(15,525,047)</b>	<b>1,341,777</b>	<b>(5,142,808)</b>	<b>(2,250,234)</b>
<b>Cash flows from investing activities</b>					
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)
<b>Net cash flows generated from/(used in) investing activities</b>		<b>(2,144,178)</b>	<b>1,206,024</b>	<b>(1,899,394)</b>	<b>8,913,055</b>
<b>Cash flows from financing activities</b>					
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)	-	-



	Notes	The Group		The Company	
		31 Dec 21 N' 000	Restated 31 Dec 20 N'000	31 Dec 21 N' 000	Restated 31 Dec 20 N' 000
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	-	-
<b>Net cash flows (used in)/generated from financing activities</b>		<b>4,777,470</b>	<b>(2,184,004)</b>	<b>(3,461,373)</b>	<b>5,701</b>
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
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>24</b>	<b>11,410,811</b>	<b>24,302,566</b>	<b>4,304,744</b>	<b>14,808,319</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 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 29<sup>th</sup> 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).

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.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### **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 6g 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:

- A statutory pension scheme and
- 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**

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

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

The paint is often sold with volume rebates based on aggregate sales over a three 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.

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

### **Rendering of services based on Franchise agreement**

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

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

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

Using the practical expedient in IFRS 15 for the application of paint, the Group has 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 of ownership of an asset are classified as operating leases. 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
<b>Financial assets</b>					
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
	<b>12,596,443</b>	<b>2,581,270</b>	<b>41,860</b>	<b>169</b>	<b>15,219,741</b>
<b>Financial liabilities</b>					
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
	<b>23,096,430</b>	<b>1,034</b>	<b>68</b>	<b>2,635,294</b>	<b>25,732,825</b>



GROUP	31 December 2020				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
<b>Financial assets</b>					
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
	<b>27,159,718</b>	<b>945,872</b>	<b>24,251</b>	<b>119</b>	<b>28,129,960</b>
<b>Financial liabilities</b>					
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
	<b>8,261,408</b>	<b>59,298</b>	<b>-</b>	<b>-</b>	<b>8,320,706</b>

	GROUP	
	31-Dec-21 N'000	31-Dec-20 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 N'000	USD N'000	GBP N'000	Others N'000	Total N'000
<b>Financial assets</b>					
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
	<b>9,041,671</b>	<b>2,517,637</b>	<b>2,122</b>	<b>-</b>	<b>11,561,430</b>

	31 December 2020				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
<b>Financial assets</b>					
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
	<b>14,733,920</b>	<b>2,242,131</b>	<b>2,018</b>	<b>-</b>	<b>16,998,582</b>

	COMPANY	
	31-Dec-21 N'000	31-Dec-20 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.

**(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 N'000	31-Dec-20 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					
	Current N'000	<90 days N'000	90–180 days N'000	180–360 days N'000	>360 days N'000	Total N'000
<b>31-Dec-21</b>						
<b>Expected credit loss rate</b>	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
<b>31-Dec-20</b>						
<b>Expected credit loss rate</b>	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
<b>Balance as at 1 January</b>	<b>1,191,031</b>	<b>1,230,771</b>
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	-	-
<b>Balance at 31 December</b>	<b>716,136</b>	<b>1,191,031</b>

## 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.

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.

			31-Dec-21			
	Key drivers	Assigned Probabilities	ECL	Group/Company		
			Scenario	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

		31 December 2020				
	Key drivers	ECL		Group/Company		
		Assigned Probabilities	Scenario	2020	2021	2022
Oil Price %						
		10%	Upturn	52	50	51
		81%	Base	50	48	50
		9%	Downturn	49	47	48
Unemployment rate %						
		10%	Upturn	27	30	30
		81%	Base	30	33	33
		9%	Downturn	30	33	34
Inflation rate %						
		10%	Upturn	13	10	9
		81%	Base	15	12	10
		9%	Downturn	18	15	13

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

31-Dec-21 Group				Company			
	Short-term deposits N'000	Debt instrument at amortised cost N'000	Total N'000	Short-term deposits N'000	Intercompany & related party receivables N'000	Debt instrument at amortised cost N'000	Total 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
<b>Total</b>	<b>866</b>	<b>7,316</b>	<b>8,182</b>	<b>866</b>	<b>20,618</b>	<b>7,316</b>	<b>28,800</b>

31-Dec-20 Group				Company			
	Short-term deposits N'000	Debt instrument at amortised cost (Note 19) N'000	Total N'000	Short-term deposits N'000	Intercompany receivables N'000	Debt instrument at amortised cost (Note 19) N'000	Total 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
<b>Total</b>	<b>30,252</b>	<b>31,070</b>	<b>61,322</b>	<b>4,554</b>	<b>29,557</b>	<b>31,070</b>	<b>65,181</b>

### (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.

At 31 December 2021	GROUP					Total
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	
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
	<b>8,019,606</b>	<b>11,748,292</b>	<b>16,282,409</b>	<b>571,748</b>	<b>73,136</b>	<b>36,695,190</b>



GROUP						
At 31 December 2020	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Borrowings	-	2,113,035	510,306	1,999,230	-	4,622,571
Lease liabilities	-	-	200,875	274,442	-	475,317
Trade and other payables	712,295	8,041,748	468,425	-	-	9,222,468
Dividend payable	6,084,307	-	-	-	-	6,084,307
	<b>6,796,602</b>	<b>10,154,783</b>	<b>1,179,606</b>	<b>2,273,672</b>	<b>-</b>	<b>20,404,663</b>

COMPANY						
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
<b>At 31 December 2021</b>						
Dividend payable	4,692,259	-	-	-	-	4,692,259
Other payables	-	970,810	-	-	-	970,810
	<b>4,692,259</b>	<b>970,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,663,069</b>
<b>At 31 December 2020</b>						
Dividend payable	5,127,079	-	-	-	-	5,127,079
Other payables	-	1,138,448	-	-	-	1,138,448
	<b>5,127,079</b>	<b>1,138,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,265,527</b>

\*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
<b>Total capital</b>	<b>70,749,918</b>	<b>65,610,822</b>
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:

	GROUP			
	31-Dec-21		31-Dec-20	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets</b>				
Equity held at fair value through OCI	449,975	449,975	188,125	188,125
	<b>449,975</b>	<b>449,975</b>	<b>188,125</b>	<b>188,125</b>
<b>Liabilities</b>				
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
	<b>19,911,612</b>	<b>19,911,612</b>	<b>4,238,957</b>	<b>4,238,957</b>

#### 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



<b>31 December 2021</b>	<b>Animal Feeds &amp; Other Edibles N' 000</b>	<b>Paints N' 000</b>	<b>Packaged Food &amp; Beverages N' 000</b>	<b>QSR N' 000</b>	<b>Logistics N' 000</b>	<b>Real Estate N' 000</b>	<b>Others N' 000</b>	<b>Total N' 000</b>
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
<b>Total Revenue</b>	<b>62,711,052</b>	<b>15,354,726</b>	<b>23,750,689</b>	<b>2,208,183</b>	<b>-</b>	<b>-</b>	<b>877,457</b>	<b>104,902,107</b>
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

<b>31 December 2020</b>	<b>Animal Feeds &amp; Other Edibles N' 000</b>	<b>Paints N' 000</b>	<b>Packaged Food &amp; Beverages N' 000</b>	<b>QSR N' 000</b>	<b>Logistics N' 000</b>	<b>Real Estate N' 000</b>	<b>Others N' 000</b>	<b>Total N' 000</b>
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
<b>Total Revenue</b>	<b>54,223,556</b>	<b>10,425,485</b>	<b>17,853,406</b>	<b>1,527,878</b>	<b>-</b>	<b>-</b>	<b>766,205</b>	<b>84,796,530</b>
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
<b>Analysis of revenue by category:</b>		
Revenue from contracts with customers	101,148,333	81,119,014
Rental income	228,506	238,946
	<b>101,376,839</b>	<b>81,357,960</b>

	31 Dec 21 N'000	31 Dec 20 N'000
<b>Analysis of revenue by geographical location:</b>		
Nigeria	101,376,839	81,357,960
Others	-	-
	<b>101,376,839</b>	<b>81,357,960</b>

## Concentration risk

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

## Disaggregated Revenue

### Group

For the year ended 31 December 2021								
Segments	Animal Feeds & Other Edibles N'000	Paints N'000	Packaged Food & Beverages N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
<b>Revenue from contracts with customers</b>								
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
<b>Total</b>	<b>59,951,491</b>	<b>15,348,589</b>	<b>23,634,055</b>	<b>2,208,183</b>	<b>-</b>	<b>-</b>	<b>234,520</b>	<b>101,376,839</b>
<b>Geographical Markets</b>								
Nigeria	59,951,491	15,348,589	23,634,055	2,208,183	-	-	234,520	101,376,839
Outside Nigeria	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59,951,491</b>	<b>15,348,589</b>	<b>23,634,055</b>	<b>2,208,183</b>	<b>-</b>	<b>-</b>	<b>234,520</b>	<b>101,376,839</b>
<b>Timing of revenue</b>								
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
	<b>59,951,491</b>	<b>15,348,589</b>	<b>23,634,055</b>	<b>2,208,183</b>	<b>-</b>	<b>-</b>	<b>234,520</b>	<b>101,376,839</b>

## Disaggregated Revenue

## Group

For the year ended 31 December 2020								
Segments	Animal Feeds & Other Edibles N'000	Paints N'000	Packaged Food & Beverages N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
Revenue from 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
<b>Total</b>	<b>51,475,325</b>	<b>10,328,521</b>	<b>17,804,278</b>	<b>1,527,878</b>	<b>-</b>	<b>-</b>	<b>221,958</b>	<b>81,357,960</b>
<b>Geographical Markets</b>								
Nigeria	51,475,325	10,328,521	17,804,278	1,527,878	-	-	221,958	81,357,960
Outside Nigeria	-	-	-	-	-	-	-	-
<b>Total</b>	<b>51,475,325</b>	<b>10,328,521</b>	<b>17,804,278</b>	<b>1,527,878</b>	<b>-</b>	<b>-</b>	<b>221,958</b>	<b>81,357,960</b>
<b>Timing of revenue</b>								
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
<b>Total</b>	<b>51,475,325</b>	<b>10,328,521</b>	<b>17,804,278</b>	<b>1,527,878</b>	<b>-</b>	<b>-</b>	<b>221,958</b>	<b>81,357,960</b>

## 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
<b>Total dividend income</b>	<b>260,093</b>	<b>9,675</b>	<b>1,561,023</b>	<b>349,695</b>

**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
<b>Total other operating income/(loss)</b>	<b>2,076,149</b>	<b>851,995</b>	<b>1,586,784</b>	<b>(2,611,105)</b>

**(a) Rental Income**

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

**(b) Other 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
<b>Other income comprises:</b>				
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	-	-
	<b>483,967</b>	<b>526,014</b>	<b>154,566</b>	<b>77,595</b>

**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)	-	
<b>Total (impairment loss)/writeback on financial assets</b>	<b>(15,950)</b>	<b>(120,487)</b>	<b>26,083</b>	<b>159,624</b>

## 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
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
	<b>98,775,271</b>	<b>78,824,760</b>	<b>2,662,361</b>	<b>2,461,908</b>

**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
	<b>98,775,271</b>	<b>78,824,760</b>	<b>2,662,361</b>	<b>2,461,908</b>

**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 (PPPNP) 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
	<b>305,265</b>	<b>175,845</b>	<b>6,674</b>	<b>41,995</b>

**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	-
	<b>9,632,401</b>	<b>8,450,582</b>	<b>1,405,502</b>	<b>1,174,651</b>



**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.

Costs	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
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
- Defined benefit plans	-	-	-	-
Total for non executive directors and key management personnel	<b>1,692,809</b>	<b>1,460,030</b>	<b>579,920</b>	<b>582,104</b>
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	-
<b>Total</b>	<b>9,632,401</b>	<b>8,450,582</b>	<b>1,405,502</b>	<b>1,174,651</b>

Numbers	The Group		The company	
	2021 Number	2020 Number	2021 Number	2020 Number
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
	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>
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
	<b>1,469</b>	<b>1,396</b>	<b>40</b>	<b>35</b>

	The Company	
	2021 N' 000	2020 N' 000
<b>(iii) Emoluments of directors</b>		
Fees	16,183	5,750
Other emoluments	273,095	234,764
	<b>289,278</b>	<b>240,514</b>
<b>(iv)</b> The Chairman's emolument.	20,762	19,630
<b>(v)</b> Emolument of the highest paid Director.	95,987	78,504

- (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 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 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	-	-	-
<b>Total interest income</b>	<b>1,211,391</b>	<b>1,052,050</b>	<b>1,004,692</b>	<b>1,435,793</b>
Exchange gain	346,528	287,062	93,568	307,777
<b>Finance Income</b>	<b>1,557,919</b>	<b>1,339,112</b>	<b>1,098,260</b>	<b>1,743,570</b>
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)	-	-
<b>Net finance income</b>	<b>81,949</b>	<b>837,282</b>	<b>1,098,260</b>	<b>1,743,570</b>

## Analysis of interest 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
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	-	-	-
<b>Interest income</b>	<b>1,211,391</b>	<b>1,052,050</b>	<b>1,004,692</b>	<b>1,435,793</b>

**10. Taxation**

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 Restated N'000
<b>Current tax</b>				
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)	-	-	-
<b>Total current tax charge</b>	<b>1,340,590</b>	<b>1,387,740</b>	<b>145,338</b>	<b>36,545</b>
<b>Deferred tax</b>				
Temporary differences, origination and reversal (note (26))	178,625	308,843	(2,716)	411,366
<b>Total deferred tax</b>	<b>178,625</b>	<b>308,843</b>	<b>(2,716)</b>	<b>411,366</b>
<b>Income tax expense</b>	<b>1,519,214</b>	<b>1,696,583</b>	<b>142,622</b>	<b>447,911</b>

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 and separate income statement as follows

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 Restated N'000
<b>Profit/(loss) before tax (A)</b>	<b>4,108,373</b>	<b>5,084,981</b>	<b>2,487,246</b>	<b>(2,061,677)</b>
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
<b>Tax charge for the year (B)</b>	<b>1,519,214</b>	<b>1,696,583</b>	<b>142,622</b>	<b>447,911</b>
<b>Effective tax rate B/A</b>	<b>37%</b>	<b>33%</b>	<b>6%</b>	<b>-22%</b>

#### Current income tax liabilities

	The Group			The Company		
	2021 N'000	2020 N'000	1 Jan 2020 Restated N'000	2021 N'000	2020 N'000	1 Jan 2020 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)
	<b>3,726,695</b>	<b>3,814,160</b>	<b>4,510,936</b>	<b>2,490,527</b>	<b>2,480,618</b>	<b>2,984,185</b>

**11. Dividend**

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

**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.

	<b>The Group</b>		<b>The Company</b>	
	<b>2021 N'000</b>	<b>2020 Restated N'000</b>	<b>2021 N'000</b>	<b>2020 Restated N'000</b>
<b>Profit attributable to ordinary equity shareholders:</b>				
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	-	-
<b>Profit/(loss) for the period</b>	<b>1,806,907</b>	<b>2,591,811</b>	<b>2,344,624</b>	<b>(2,509,588)</b>
<b>Basic earnings per share</b>				
From continuing operations	63	69	81	(87)
From discontinued operations	(0)	21	-	-
From profit/(loss) for the period	63	90	81	(87)

	<b>The Company</b>	
	<b>2021 Number</b>	<b>2020 Number</b>
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.



**13. Property, plant and equipment****Group**

<b>Cost:</b>	<b>Leasehold land and buildings N'000</b>	<b>Plant and Machinery N'000</b>	<b>Computer Equipment N'000</b>	<b>Motor Vehicles N'000</b>	<b>Office Furniture N'000</b>	<b>Capital Work in progress N'000</b>	<b>Total N'000</b>
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)	-
<b>At 31 December 2020</b>	<b>8,632,658</b>	<b>19,921,189</b>	<b>1,346,983</b>	<b>3,096,252</b>	<b>921,522</b>	<b>2,563,948</b>	<b>36,482,552</b>

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)
<b>At 31 December 2021</b>	<b>8,904,872</b>	<b>21,202,972</b>	<b>1,176,803</b>	<b>3,463,863</b>	<b>1,043,078</b>	<b>3,184,442</b>	<b>38,976,030</b>

**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)
<b>At 31 December 2020</b>	<b>2,142,969</b>	<b>10,039,757</b>	<b>1,099,503</b>	<b>1,478,275</b>	<b>698,214</b>	<b>12,000</b>	<b>15,470,718</b>

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
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)
<b>At 31 December 2021</b>	<b>2,200,953</b>	<b>11,243,066</b>	<b>861,702</b>	<b>1,732,691</b>	<b>701,954</b>	<b>12,000</b>	<b>16,752,365</b>

Net book values:

<b>At 31 December 2021</b>	<b>6,703,919</b>	<b>9,959,907</b>	<b>315,100</b>	<b>1,731,172</b>	<b>341,124</b>	<b>3,172,442</b>	<b>22,223,664</b>
<b>At 31 December 2020</b>	<b>6,489,686</b>	<b>9,881,437</b>	<b>247,480</b>	<b>1,617,976</b>	<b>223,308</b>	<b>2,551,948</b>	<b>21,011,834</b>

- (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.

### 13. Property, plant and equipment

#### The Company

<b>Cost:</b>	<b>Leasehold land and buildings N'000</b>	<b>Plant and Machinery N'000</b>	<b>Computer Equipment N'000</b>	<b>Motor Vehicles N'000</b>	<b>Office Furniture N'000</b>	<b>Capital Work in progress N'000</b>	<b>Total N'000</b>
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)	-
<b>At 31 December 2020</b>	<b>617,373</b>	<b>377,072</b>	<b>429,438</b>	<b>295,286</b>	<b>74,491</b>	<b>117,406</b>	<b>1,911,067</b>
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)
<b>At 31 December 2021</b>	<b>733,950</b>	<b>360,072</b>	<b>155,380</b>	<b>284,470</b>	<b>81,124</b>	<b>31,892</b>	<b>1,646,890</b>

#### 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)
<b>At 31 December 2020</b>	<b>232,516</b>	<b>220,999</b>	<b>410,090</b>	<b>102,613</b>	<b>56,705</b>	<b>-</b>	<b>1,022,923</b>
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)
<b>At 31 December 2021</b>	<b>245,092</b>	<b>216,245</b>	<b>101,007</b>	<b>127,233</b>	<b>24,529</b>	<b>-</b>	<b>714,107</b>

Net book values:

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

- (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.

**14. Intangible assets and goodwill**

Cost	Group					Company		
	Goodwill N' 000	Brands & Trade Marks N' 000	Software N' 000	Capital Work in progress N' 000	Total N' 000	Software N' 000	Capital Work in progress N' 000	Total 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)	-
<b>At 31 December 2020</b>	<b>548,747</b>	<b>1,070,185</b>	<b>844,879</b>	<b>4,620</b>	<b>2,468,432</b>	<b>196,302</b>	<b>-</b>	<b>196,302</b>
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)
<b>At 31 December 2021</b>	<b>548,747</b>	<b>1,070,185</b>	<b>853,635</b>	<b>175,498</b>	<b>2,648,066</b>	<b>196,302</b>	<b>-</b>	<b>196,302</b>
<b>Accumulated amortisation and impairment</b>								
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
<b>At 31 December 2020</b>	<b>-</b>	<b>288,439</b>	<b>806,771</b>	<b>-</b>	<b>1,095,209</b>	<b>186,268</b>	<b>-</b>	<b>186,268</b>
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
<b>At 31 December 2021</b>	<b>-</b>	<b>288,439</b>	<b>839,979</b>	<b>-</b>	<b>1,128,417</b>	<b>189,412</b>	<b>-</b>	<b>189,412</b>
Net book values								
<b>At 31 December 2021</b>	<b>548,747</b>	<b>781,747</b>	<b>13,657</b>	<b>175,498</b>	<b>1,519,649</b>	<b>6,890</b>	<b>-</b>	<b>6,890</b>
<b>At 31 December 2020</b>	<b>548,747</b>	<b>781,747</b>	<b>38,109</b>	<b>4,620</b>	<b>1,373,223</b>	<b>10,034</b>	<b>-</b>	<b>10,034</b>

**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:

<b>2020</b>	<b>Opening N' 000</b>	<b>Addition N' 000</b>	<b>Disposal N' 000</b>	<b>Impairment N' 000</b>	<b>Other Adjustments N' 000</b>	<b>Closing N' 000</b>
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Portland Paints and Products Nigeria PLC	339,042	-	-	-	-	339,042
	<b>548,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,747</b>

<b>2021</b>	<b>Opening N' 000</b>	<b>Addition N' 000</b>	<b>Disposal N' 000</b>	<b>Impairment N' 000</b>	<b>Other Adjustments N' 000</b>	<b>Closing N' 000</b>
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Chemical and Allied Products PLC	339,042	-	-	-	-	339,042
	<b>548,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,747</b>

#### 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 (₦2.8billion), 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**

	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
<b>Fair value</b>						
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
<b>At 31 December 2020</b>	<b>303,712</b>	<b>2,331,287</b>	<b>2,634,999</b>	<b>-</b>	<b>2,331,287</b>	<b>2,331,287</b>
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
<b>At 31 December 2021</b>	<b>-</b>	<b>3,470,685</b>	<b>3,470,685</b>	<b>-</b>	<b>3,470,685</b>	<b>3,470,685</b>

Fair value of investment properties is categorised as follows:

	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
<b>31-Dec-21</b>						
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:

	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
<b>31-Dec-20</b>						
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.

	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	31 Dec 20 N' 000
<b>Rental income schedule</b>				
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)	-
<b>Profit arising from investment properties carried at fair value</b>	<b>43,600</b>	<b>226,197</b>	<b>43,600</b>	<b>226,197</b>

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	-	-	-	-
<b>Total</b>	<b>17,213</b>	<b>51,912</b>	<b>17,213</b>	<b>51,912</b>

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
<b>Closing Balance</b>	<b>18,535,951</b>	<b>14,615,951</b>



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

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
<b>Negative movement in equity attributed to the owners of the parent</b>	<b>(374,229)</b>	<b>(112,675)</b>
<b>Net impact on change in equity on NCI</b>	<b>(486,904)</b>	

**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 (51%)	(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)

**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 N' 000	2020 N' 000	2021 N' 000	2020 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
<b>At 31 December</b>	<b>449,975</b>	<b>188,125</b>	<b>449,975</b>	<b>188,125</b>

## 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	-	-	-
	<b>449,975</b>	<b>188,125</b>	<b>14,625</b>	<b>9,675</b>

### (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		The Company	
		2021 N'000	2020 N'000	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%

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>Associate</b>				
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
<b>At 31 December</b>	<b>8,491,446</b>	<b>13,018,568</b>	<b>5,314,507</b>	<b>8,886,167</b>

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

	The Group		The Company	
	2021 N'000	2020 N'000	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
<b>At 31 December</b>	<b>8,491,446</b>	<b>13,018,568</b>	<b>5,314,507</b>	<b>8,886,167</b>

\*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
<b>31-Dec-21</b>						
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
<b>31-Dec-21</b>						
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
<b>31-Dec-20</b>						
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
<b>31-Dec-20</b>						
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

**19. Debt instruments at amortised cost**

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
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)
<b>At 31 December</b>	<b>2,296,986</b>	<b>2,174,304</b>	<b>2,296,986</b>	<b>2,174,304</b>

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-/Fitch UBA 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
<b>Total</b>	<b>2,304,302</b>	<b>-</b>	<b>-</b>	<b>2,304,302</b>

**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
<b>Total</b>	<b>2,205,374</b>	<b>-</b>	<b>-</b>	<b>2,205,374</b>

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

**20. Refund assets and refund liabilities**

	The Group		The Company	
	31 Dec 21 N' 000	31 Dec 20 N' 000	31 Dec 21 N' 000	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	-	-
	<b>3,690</b>	<b>17,195</b>	<b>-</b>	<b>-</b>

**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.



	Land and Building N' 000	Plant and Machinery N' 000	Total N' 000
<b>Right of use assets</b>			
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)
<b>At 31 December 2020 (Restated)</b>	<b>464,102</b>	<b>40,887</b>	<b>504,989</b>
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)
<b>At 31 December 2021</b>	<b>581,080</b>	<b>136,814</b>	<b>717,894</b>

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		The Company	
	2021 N' 000	2020 N' 000	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:

## 21. Lease Liability

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
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)	-	-
<b>At 31 December</b>	<b>612,636</b>	<b>475,317</b>	<b>-</b>	<b>-</b>
Current	341,627	250,926	-	-
Non-current	271,009	224,391	-	-
	<b>612,636</b>	<b>475,317</b>	<b>-</b>	<b>-</b>

The maturity analysis of lease liabilities are disclosed in Note 3.3

**22. Inventories**

	The Group		The Company	
	2021 N' 000	2020 N' 000	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)	-	-
	<b>36,213,523</b>	<b>20,123,071</b>	<b>-</b>	<b>3,602</b>

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			The Company		
	2021 N' 000	2020 N' 000	Restated 1 January 2020 N' 000	2021 N' 000	2020 N' 000	Restated 1 January 2020 N' 000
<b>Receivables due within one year</b>						
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)	-	-	-
<b>Net trade receivables</b>	<b>1,103,695</b>	<b>2,700,997</b>	<b>1,895,584</b>	<b>-</b>	<b>-</b>	<b>-</b>
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)
<b>Non financial assets</b>						
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
	<b>11,102,762</b>	<b>6,064,047</b>	<b>4,713,911</b>	<b>5,626,551</b>	<b>2,179,653</b>	<b>17,374,262</b>

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
	<b>11,102,762</b>	<b>6,064,047</b>	<b>5,626,551</b>	<b>2,179,653</b>

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)	-	-
<b>At 31 December</b>	<b>716,136</b>	<b>1,191,031</b>	<b>-</b>	<b>-</b>

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
<b>At 31 December</b>	<b>16,632</b>	<b>29,071</b>	<b>16,632</b>	<b>29,557</b>

### 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)	-	-
	<b>13,672</b>	<b>10,372</b>	<b>-</b>	<b>-</b>
	The Group		The Company	
	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	-	-
<b>Total finance lease receivable</b>	<b>13,672</b>	<b>10,372</b>	<b>-</b>	<b>-</b>

**24. Cash and cash equivalents**

	The Group		The Company	
	2021 N' 000	2020 N' 000	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	-	-
<b>Cash and short-term deposits</b>	<b>11,409,945</b>	<b>24,272,314</b>	<b>4,303,878</b>	<b>14,803,765</b>

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		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
Cash and short-term deposits	11,410,811	24,302,566	4,304,744	14,808,319
<b>Balances per statement of cash flow</b>	<b>11,410,811</b>	<b>24,302,566</b>	<b>4,304,744</b>	<b>14,808,319</b>

**25. Borrowings**

	The Group	
	2021 N' 000	2020 N' 000
<b>Current borrowings</b>		
Loans due within one year	19,571,889	2,503,673
	<b>19,571,889</b>	<b>2,503,673</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	339,723	1,735,284
	<b>339,723</b>	<b>1,735,284</b>
<b>Total borrowings</b>	<b>19,911,612</b>	<b>4,238,957</b>
<b>As at 1 January</b>	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
<b>As at 31 December</b>	<b>19,911,612</b>	<b>4,238,957</b>

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
	<b>19,911,612</b>	<b>4,238,957</b>

**(i) Loans due within one year**

Bank	Effective Interest Rate	2021 N' 000	The Group		
			2020 N' 000	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
		<b>19,571,889</b>	<b>2,503,673</b>		

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:	The Group				Maturity date	Security
	Effective Interest Rate	2021 N' 000	2020 N' 000			
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	
		<b>339,723</b>	<b>1,735,284</b>			

\*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.

**26. Deferred Tax**

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

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

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

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 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)	-
<b>At 31 December</b>	<b>(4,649,022)</b>	<b>(4,466,397)</b>	<b>(437,275)</b>	<b>(435,991)</b>

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

## The Group

Deferred tax assets	Property, plant and equipment N'000	Allowance for impair- ment on receiv- ables N'000	Tax losses N'000	Leases N'000	Exchange difference N'000	Invest- ment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 1 January 2020	(97,652)	109,271	-	-	-	-	-	11,619
(Credited)/charged to profit or loss	11,512	15,522	-	-	-	-	-	27,034
<b>At 31 December 2020</b>	<b>(86,140)</b>	<b>124,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,653</b>
At 1 January 2021	(86,140)	124,793	-	-	-	-	-	38,653
Reclassification to deferred tax liabilities	86,140	(124,793)	-	-	-	-	-	(38,653)
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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
<b>At 31 December 2020</b>	<b>4,022,481</b>	<b>(144,878)</b>	<b>(54,134)</b>	<b>8,119</b>	<b>72,717</b>	<b>1,015,333</b>	<b>(414,588)</b>	<b>4,505,050</b>
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
<b>At 31 December 2021</b>	<b>4,833,361</b>	<b>(602,581)</b>	<b>(89,795)</b>	<b>49,195</b>	<b>111,774</b>	<b>347,068</b>	<b>-</b>	<b>4,649,022</b>

## 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
<b>At 31 December 2020</b>	<b>162,761</b>	<b>(32,157)</b>	<b>(52,140)</b>	<b>-</b>	<b>90,362</b>	<b>285,878</b>	<b>-</b>	<b>454,703</b>
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
<b>At 31 December 2021</b>	<b>175,482</b>	<b>(55,845)</b>	<b>(75,177)</b>	<b>-</b>	<b>64,408</b>	<b>347,069</b>	<b>-</b>	<b>455,987</b>

**27. Trade and other payables**

	The Group		The Company	
	2021 N' 000	2020 N' 000	2021 N' 000	2020 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
<b>Total</b>	<b>10,879,115</b>	<b>9,944,818</b>	<b>1,438,876</b>	<b>1,219,418</b>

**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 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
<b>At 1 January</b>	<b>267,383</b>	<b>50,107</b>	-	-
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)	-	-
<b>At 31 December</b>	<b>-</b>	<b>267,383</b>	<b>-</b>	<b>-</b>
Current	-	58,343	-	-
Non-current	-	209,040	-	-
	<b>-</b>	<b>267,383</b>	<b>-</b>	<b>-</b>

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 N' 000	2020 N' 000	2021 N' 000	2020 N' 000
<b>At 1 January</b>	<b>1,340,627</b>	<b>869,259</b>	<b>159,277</b>	<b>152,775</b>
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	-
<b>At 31 December</b>	<b>2,425,294</b>	<b>1,340,627</b>	<b>95,562</b>	<b>159,277</b>

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 N' 000	2020 N' 000	2021 N' 000	2020 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
<b>At 31 December</b>	<b>5,193,036</b>	<b>6,084,307</b>	<b>4,692,260</b>	<b>5,127,079</b>

**31. Provisions****The Group**

	Provisions N'000	Legal claim N'000	Decom- missioning 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)
<b>31 December 2020</b>	<b>3,000</b>	<b>189,018</b>	<b>6,357</b>	<b>198,375</b>
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
Charge to profit or loss	-	-	10,286	10,286
Derecognised on payment	-	(99,070)	-	(99,070)
Provision write back	-	-	-	-
<b>31 December 2021</b>	<b>3,000</b>	<b>89,948</b>	<b>16,643</b>	<b>109,591</b>
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	-	-
<b>At 31 December</b>	<b>89,948</b>	<b>89,948</b>

## 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 and ₦648million 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 N' 000	2020 N' 000
Service cost	9,198	5,515
Interest cost	711	6,997
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(28,755)	24,662
- Experience adjustments	-	7,432
	<b>(12,446)</b>	<b>44,606</b>

## Movement in the present value of long service awards

	The Group		
	2021 N' 000	Restated 2020 N' 000	Restated 1 January 2020 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	-
	<b>72,296</b>	<b>94,403</b>	<b>58,539</b>

## Actuarial assumptions

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

	Group	
	2021	2020
<b>Key assumptions used:</b>		
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

## 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
<b>Base amount</b>		<b>72,296</b>
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%	<b>69,404</b>

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			
	2021		2020	
	Number 000	Amount N' 000	Number 000	Amount N' 000
<b>Authorised:</b>				
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
<b>Total authorised share capital</b>	<b>3,400,000</b>	<b>1,700,000</b>	<b>3,400,000</b>	<b>1,700,000</b>
Issued and fully paid:				
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648
<b>Total called up share capital</b>	<b>2,881,296</b>	<b>1,440,648</b>	<b>2,881,296</b>	<b>1,440,648</b>

## 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 16<sup>th</sup> 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

<b>Participant benefit</b>	Participants receive a 10% share in shareholder value (share price plus dividends or distributions) created above the initial market capitalization
<b>Vesting condition</b>	TSR hurdle rate of 18% per annum over a five-year period
<b>Vesting period</b>	Years 3, 4, and 5
<b>Pay out</b>	<p>Year 3: 50% of amount awarded is converted to nil cost options immediately while the remaining 50% vests in year 5</p> <p>Year 4: 50% of amount awarded is converted to nil cost options immediately while the remaining 50% vests in year 5</p> <p>Year 5: 100% of the amount awarded is converted to nil cost options and vests immediately.</p>
<b>Method of settlement</b>	Equity settled (ordinary shares of the Company)
<b>Grant date</b>	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 N'000	45% volatility N'000	50% volatility N'000
1,003,763	1,204,516 (+20%)	1,405,268 (+40%)

4.5% dividend yield N'000	Base case – 6.5% dividend yield N'000	8.5% dividend yield 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).

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

	Note	Group		Company	
		2021 N' 000	Restated 2020 N' 000	2021 N' 000	Restated 2020 N' 000
<b>Profit/(loss) before tax from continuing operations</b>		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)
<b>Operating profit/(loss)</b>		4,370,847	5,078,521	1,482,554	(3,497,470)
Adjustments to reconcile operating profit/(loss) to net cash flows					
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)

	Note	Group		Company	
		2021 N' 000	Restated 2020 N' 000	2021 N' 000	Restated 2020 N' 000
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)	-	-	-
<b>Operating cash flows before movements in working capital</b>		<b>6,087,077</b>	<b>3,898,818</b>	<b>(1,419,020)</b>	<b>(1,417,112)</b>
Movements in working capital:					
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	-	-
<b>Net cash used in operations - continuing operations</b>		<b>(14,246,948)</b>	<b>(1,130,559)</b>	<b>(5,140,830)</b>	<b>(2,014,234)</b>
Changes in assets and liabilities		-	4,196,720	-	-

	Note	Group		Company	
		2021 N' 000	Restated 2020 N' 000	2021 N' 000	Restated 2020 N' 000
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 N' 000	2020 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
	<b>648,952</b>	<b>527,272</b>

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

Receivable/(Payable):	Company	
	2021 N' 000	2020 N' 000
<b>Subsidiaries</b>		
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
	<b>714,385</b>	<b>550,632</b>
<b>Associates</b>		
UPDC PLC	30,290	1,182
MDS Logistics Ltd	17,997	41,184
	48,287	42,366
	<b>762,672</b>	<b>592,999</b>

**(c) Intercompany loan**

	Company	
	2021 N' 000	2020 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	-
	<b>4,197,894</b>	<b>1,163,945</b>

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.

**(d) 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 N'000	2020 N'000	2021 N'000	2020 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	-

### 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 N'000	2020 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)	-
<b>Closing balance</b>	<b>545,993</b>	<b>265,496</b>

**37b. Liabilities classified as held for distribution to owners****UPDC Real Estate Investment Trust**

On the 20<sup>th</sup> 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.

	<b>N'000</b>
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	(554)
Fair value gain on unbundling of UPDC REIT units	<b>324,725</b>

**37c. Disposal group held for sale and discontinued operations****Disposal group held for 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**

	<b>31 December 2021 N'000</b>	<b>2020 N'000</b>
Cash consideration	-	662,591
Transaction charges	-	(3,524)
Carrying amount of net asset disposed	-	(744,864)
<b>Loss on disposal</b>	<b>-</b>	<b>(85,797)</b>

**Tranche 2**

	<b>31 December 2021 N'000</b>	<b>2020 N'000</b>
Cash consideration	-	5,931,601
Share of net asset of subsidiary*	-	(14,014,745)
Investment in associate	-	7,316,892
Transaction charges	-	31,717
<b>Loss on disposal of discontinued operations</b>	<b>-</b>	<b>(734,535)</b>



**Cash proceed from sale as shown in cash flow statement**

	<b>2021 N'000</b>	<b>2020 N'000</b>
Cash proceed from disposal	-	6,590,668
Less cash and cash equivalent balance	-	(2,472,762)
<b>Net cash proceed from disposal</b>	<b>-</b>	<b>4,117,906</b>

\*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.

	<b>2021 N'000</b>	<b>2020 N'000</b>
Cash consideration	-	866,400
*Share of net asset of subsidiary	-	(2,377,056)
Investment in associate	-	4,656,900
<b>Profit on disposal of discontinued operations</b>	<b>-</b>	<b>3,146,244</b>

**Cash proceed from sale as shown in cash flow statement**

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

\*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 N'000	2020 N'000	% Shareholding	
			2021	2020
UNICO CPFA Limited				
130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67
	<b>130,000</b>	<b>130,000</b>		

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
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	2,920	2,920	2,920	2,920
Deferred tax asset	945	945	945	945
	<b>3,865</b>	<b>3,865</b>	<b>3,865</b>	<b>3,865</b>
<b>Current assets</b>				
Inventories	-	-	-	-
Trade and other receivables	-	-	-	-
Statutory Reserve Fund Account	-	-	-	-
Income tax asset	-	-	-	-
<b>Total</b>	<b>3,865</b>	<b>3,865</b>	<b>3,865</b>	<b>3,865</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	34,090	34,090	34,090	34,090
Current income tax liabilities	8,004	8,004	8,004	8,004
<b>Total</b>	<b>42,094</b>	<b>42,094</b>	<b>42,094</b>	<b>42,094</b>

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)
<b>Operating profit</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>-</b>	<b>1,467</b>	<b>(2,074,430)</b>	<b>(2,072,963)</b>
Finance income	-	-	-	-	3,351	3,351
Finance cost	-	-	-	-	(637,136)	(637,136)
Share of profit of associates	-	-	-	-	-	-
Share of loss of Joint Ventures	-	-	-	-	-	-
<b>Loss before impairment</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>-</b>	<b>1,467</b>	<b>(2,708,215)</b>	<b>(2,706,748)</b>
Impairment/(Reversal of Impairment) of receivable in JVs	-	-	-	-	-	-
Fair value gain arising from fair valuation of disposal group held for distribution	-	-	-	-	-	-
<b>(Loss)/Profit before tax</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>-</b>	<b>1,467</b>	<b>(2,708,215)</b>	<b>(2,706,748)</b>
Tax expense:						
Related to pre-tax profit/(loss) from the ordinary activities for the year	-	-	-	-	(74,098)	(74,098)
<b>Loss after tax</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>-</b>	<b>1,467</b>	<b>(2,782,313)</b>	<b>(2,780,846)</b>
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)
<b>(Loss)/profit from discontinued operations</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>3,146,244</b>	<b>1,467</b>	<b>(2,678,049)</b>	<b>469,662</b>
<b>Other Comprehensive income</b>						
Net changes in fair value of financial assets	-	-	-	-	-	-
<b>Total comprehensive (loss)/income for the year net of tax</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>3,146,244</b>	<b>1,467</b>	<b>(2,678,049)</b>	<b>469,662</b>

**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)
<b>Net cash inflows/(outflows)</b>	<b>(2,105)</b>	<b>(2,105)</b>	<b>(12,883)</b>	<b>1,210,495</b>	<b>1,197,612</b>

**38. Disclosure of Interests in Other Entities****38.1 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.

**38.2 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

<b>31-Dec-21</b>	<b>UACR N'000</b>	<b>UFL N'000</b>
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)	-
<b>Total comprehensive (loss)/income</b>	<b>(514,415)</b>	<b>-</b>

<b>31-Dec-20</b>	<b>UACR N'000</b>	<b>UFL N'000</b>
Non-current assets	377,066	6,686,130
Current assets	707,199	4,798,443
Current liabilities	715,458	4,044,817
Non-current liabilities	10,940	953,433
Revenue	1,527,878	17,853,406
(Loss)/Profit before tax	(61,277)	896,793
Total comprehensive (loss)/income	(61,277)	896,793

### 39. 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

	<b>31 December 2020</b>			<b>1 January 2020</b>		
	<b>As previously reported N'000</b>	<b>Adjustment N'000</b>	<b>Amount as adjusted N'000</b>	<b>As previously reported N'000</b>	<b>Adjustment N'000</b>	<b>Amount as adjusted N'000</b>
<b>Statement of profit or loss</b>						
Income tax expense (a)	1,662,581	34,002	1,696,583	-	-	-
Personnel expenses (b)	8,414,718	35,864	8,450,582	-	-	-
<b>Statement of financial position</b>						
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
<b>Statement of profit or loss</b>						
Income tax expense (a)	413,909	34,002	447,911	-	-	-
<b>Statement of financial position</b>						
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 N114.8million 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 N16 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

**40. 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.

## 41. 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)
	N'000	N'000	N'000
<b>all figures in N'000 unless otherwise stated</b>			
<b>Recurring fair value measurements</b>			
<u>Investment Property</u>			
UACN Company	-	-	2,331,287
UFL	-	-	303,712
<b>Group</b>			<b>2,634,999</b>

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)
	N'000	N'000	N'000
<b>all figures in N'000 unless otherwise stated</b>			
<b>Recurring fair value measurements</b>			
<u>Investment Property</u>			
UAC Company	-	-	3,470,685
UFL			
<b>Group</b>			<b>3,470,685</b>



	2020	
	Investment Property (Group) N'000	Investment Property (Company) N'000
<b>Reconciliation of level 3 fair values</b>		
Opening balance	2,400,336	2,096,624
Additions	393	393
Net gain from fair value adjustment on investment property	234,270	234,270
<b>Closing Balance</b>	<b>2,634,999</b>	<b>2,331,287</b>

	2021	
	Investment Property (Group) N'000	Investment Property (Company) N'000
<b>Reconciliation of level 3 fair values</b>		
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
<b>Closing Balance</b>	<b>3,470,685</b>	<b>3,470,685</b>

### 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

## OTHER NATIONAL DISCLOSURE

### SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

31 December 2021

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%
<b>Substantial Shareholdings (5% and above)</b>		
Themis Capital Management	496,128,943	17.22%
Dalio Property Development Limited	152,380,473	5.29%
<b>Total Substantial Shareholdings</b>	<b>648,509,416</b>	<b>22.51%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>		
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%
<b>Total Directors' Shareholdings</b>	<b>138,179,754</b>	<b>4.80%</b>
<b>Other Influential Shareholdings</b>		
Metropolitan Life Insurance Nig Ltd	95,783,885	3.32%
AM&P Advisory Services	78,653,201	2.73%
<b>Total Other Influential Shareholdings</b>	<b>174,437,086</b>	<b>6.05%</b>
<b>Free Float in Units and Percentage</b>	<b>1,920,170,323</b>	<b>66.64%</b>
<b>Free Float in Value</b>	<b>₦ 18,241,618,068.50</b>	

#### 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.

## OTHER NATIONAL DISCLOSURE

**STATEMENT OF VALUE ADDED**

For the year ended 31 December 2021

	Group				Company			
	2021		2020		2021		2020	
	=N=Million	%	Restated =N=Million	%	=N=Million	%	Restated =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)	
<b>Cost of materials and services:</b>								
....Imported	(14,469)		(7,637)		(78)		-	
....Local	(72,260)		(60,072)		(432)		(477)	
<b>Value Added</b>	<b>17,387</b>	<b>100</b>	<b>16,813</b>	<b>100</b>	<b>3,053</b>	<b>100</b>	<b>(586)</b>	<b>100</b>
<b>Applied as follows:</b>								
<b>To pay employees</b>								
Salaries, wages and other benefits	9,632	55	8,451	50	1,406	46	1,175	(201)
<b>To pay government</b>								
Taxes	1,519	9	1,697	10	143	5	448	(76)
<b>To pay providers of capital</b>								
Interest charges	1,476	8	502	3	-	-	-	-
<b>To pay shareholders</b>								
Dividend	1,873	11	3,457	21	1,873	61	3,457	(590)
<b>Retained for replacement of assets and business growth:</b>								
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
	<b>17,387</b>	<b>100</b>	<b>16,813</b>	<b>100</b>	<b>3,053</b>	<b>100</b>	<b>(586)</b>	<b>100</b>

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 DISCLOSURE

### GROUP FIVE-YEAR FINANCIAL SUMMARY

Year ended 31 December 2021

Naira millions	2017	2018	2019	2020	2021
<b>Funds Employed</b>					
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
	<b>79,021</b>	<b>83,390</b>	<b>66,551</b>	<b>67,643</b>	<b>56,280</b>
<b>Employment of funds</b>					
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
	<b>66,583</b>	<b>75,056</b>	<b>39,661</b>	<b>62,614</b>	<b>47,112</b>
<b>Capital expenditure</b>	<b>1,313</b>	<b>2,926</b>	<b>2,710</b>	<b>4,496</b>	<b>3,466</b>
<b>Depreciation</b>	<b>2,669</b>	<b>2,280</b>	<b>1,926</b>	<b>2,074</b>	<b>2,172</b>

#### Results

	2017	2018	2019	2020 Restated	2021
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
Dividend - proposed	(1,873)	(1,844)	(288)	(3,457)	(1,873)
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 DISCLOSURE

## COMPANY FIVE-YEAR FINANCIAL SUMMARY

Year ended 31 December 2021

Naira millions	2017	2018	2019	2020	2021
<b>Funds Employed</b>					
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
	<b>23,604</b>	<b>40,296</b>	<b>39,452</b>	<b>37,225</b>	<b>32,351</b>
<b>Employment of funds</b>					
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)
	<b>20,683</b>	<b>37,330</b>	<b>31,445</b>	<b>23,367</b>	<b>17,215</b>
<b>Capital expenditure</b>	<b>100</b>	<b>244</b>	<b>177</b>	<b>215</b>	<b>215</b>
<b>Depreciation</b>	<b>164</b>	<b>142</b>	<b>146</b>	<b>138</b>	<b>136</b>
<b>Results</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 Restated</b>	<b>2021</b>
Turnover	827	681	759	758	877
Profit from operations	1,551	1,278	(667)	(3,497)	1,389
Share of profit of associated companies			-	-	
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

NEW

**SPICY** 

# Try one today

- *Spicy Beef filling*
- *Tasty Flavour*
- *Big Size*



*...spice up your hustle.*



## SHAREHOLDERS' INFORMATION

### Shareholders with 5% and above as at December 31, 2021

Name	Holding	Percentage (%)
Themis Capital Management	496,128,943	17.22
DALIO Property Development Limited	152,380,473	5.29

Except from those listed in the table above, no other individual or entity holds 5% and above of the company's issued share capital.

### Range Analysis

RANGE ANALYSIS AS AT 31-12-2021								
Range		No. of Holders	Holdings %	Holdings Cum.	Units	Units %	Units Cum.	
1	500	34,098	18.71	34,098	9,970,035	0.35	9,970,035	
501	- 1,000	23,298	12.79	57,396	17,232,469	0.60	27,202,504	
1,001	- 5,000	103,206	56.64	160,602	253,106,564	8.78	280,309,068	
5,001	- 50,000	19,622	10.78	180,224	222,879,192	7.74	503,188,260	
50,001	- 100,000	899	0.49	181,123	64,753,824	2.25	567,942,084	
100,001	- 500,000	779	0.43	181,902	163,747,581	5.68	731,689,665	
500,001	- 1,000,000	133	0.07	182,035	99,228,472	3.44	830,918,137	
1,000,001	- 10,000,000	133	0.07	182,168	380,421,059	13.20	1,211,339,196	
10,000,001	- 1,000,000,000	32	0.02	182,200	1,669,957,383	57.96	2,881,296,579	
Grand Total		182,200	100.00		2,881,296,579	100.00		



Supreme

NEW

EXCITING  
LOOK



...SAME YUMMY TASTE.



# UNCLAIMED DIVIDENDS

## UNCLAIMED DIVIDEND AS AT DECEMBER 31, 2021

Since becoming a public company in 1974, the company has declared dividends and issued a number of scrip issues. Currently, our unclaimed dividend accounts indicate that some dividend warrants have been returned to the Registrars as unclaimed either because the addresses could not be traced or because the affected shareholders no longer live at the addresses.

Affected shareholders are requested to contact the Registrars to update their records and furnish their bank and stockbroker details for e-mandate.

### The Registrar

Africa Prudential PLC

220B Ikorodu Road,

Palmgroove,

Lagos

Telephone: 0700 AFRIPRUD or 070023747783

Email: cxc@africaprudential.com

## UNCLAIMED DIVIDEND AS AT DECEMBER 31, 2021

Div. No.	Date Declared	Amount Declared (N)	Dividend Per Share (N)	Amount Claimed to Date (N)	Amount Unclaimed (N)	Percentage Dividend Amount Unclaimed
44	23/06/2009	2,305,037,264	1.2	2,304,907,795.45	129,468.95	0.01%
45	23/06/2010	1,498,274,222	2	1,498,194,906	79,316.08	0.01%
46	15/06/2011	1,584,713,118.78	1	1,388,466,830.28	196,246,288.50	12.38%
47	21/06/2012	2,160,972,435.00	1	1,979,071,258.50	181,901,176.50	8.42%
48	27/06/2013	2,561,149,104.00	2	2,398,471,983.06	162,677,120.94	6.35%
49	26/06/2014	3,025,360,900.00	2	2,221,162,541.86	804,198,358.14	26.58%
50	24/09/2015	3,129,810,899.96	2	2,387,589,000.00	742,221,899.96	23.71%
51	09/06/2016	1,796,721,485.00	1	1,474,032,024.91	322,689,460.09	17.96%
52	15/06/2017	1,791,336,140.90	1	1,355,994,737.71	435,341,403.19	24.30%
53	21/06/2018	1,685,558,498.72	0.65	1,459,663,337.59	225,895,161.13	13.40%
54	27/06/2019	1,692,457,315.06	0.64	1,388,764,564.90	303,692,750.16	17.94%
55	16/07/2020	288,129,657.90	0.1	240,052,723.59	48,076,934.31	16.69%
<b>TOTAL</b>		<b>23,519,521,041.58</b>		<b>20,096,371,703.63</b>	<b>3,423,149,337.95</b>	<b>14.55%</b>

## SHARE CAPITAL HISTORY

Date issued	Authorised Share Capital		Issued Share Capital		Consideration
	Increase ₦'000	Cumulative ₦'000	Increase ₦'000	Cumulative ₦'000	
Before 30/09/1976"	26,000	26,000	23,760	23,760	N/A
30/09/1976	14,000	40,000	15,840	39,600	Scrip issue (2 for 3)
23/09/1977	40,000	80,000	39,600	79,200	Scrip issue (1 for 1)
02/03/1978	200,000	100,000	19,800	99,000	Scrip issue (1 for 4)
24/09/1980	48,500	148,500	49,500	148,500	Scrip issue (1 for 2)
14/05/1990	14,850	163,350	14,850	163,350	Scrip issue (1 for 10)
16/09/1993	40,838	204,188	40,838	204,188	Scrip issue (1 for 4)
05/04/1994	-	204,188	-42,880	161,308	Capital reduction
15/02/1995	-	204,188	20,419	181,727	Offer for subscription
03/07/1996	95,812	300,000	45,432	227,159	Scrip issue (1 for 4)
09/09/2000	200,000	500,000	227,159	454,318	Scrip issue (1 for 1)
26/05/2004	500,000	1,000,000	185,970	640,288	Scrip issue (1 for 4)
21/05/2010	-	1,000,000	160,072	800,360	Scrip issue (1 for 4)
07/12/2015	700,000	1,700,000	160,072	960,432	Scrip issue (1 for 5) and creation of preference shares
15/02/2018	-	-	480,216	1,440,648	Right issue (2 for 1)

# AMAZING DEALS ALWAYS

**Naija's Favourite  
Triple-Decker**



**FREE DELIVERY**



**LAGOS**

AJAO - 09021337731 / 08158991586  
AMUWO ODOFIN - 08087029450 / 08104953947  
VGC, AJAH - 08147214435  
IKOVI - 08070909090 / 08167774444  
ADMIRALTY WAY - 08114495323 / 07045344971



**ABUJA**

SULTAN ABUBAKAR WAY, WUSE ZONE 3  
09088102001 / 09088102000



**DEBONAIRS PIZZA**



[www.debonairspizzang.com](http://www.debonairspizzang.com)



[debonairsng](https://www.instagram.com/debonairsng)



**Sandtex**

The smart choice

## Make Every Moment In Your Home An Occasion



# LIST OF DISTRIBUTORS AND KEY LOCATIONS



**GRAND CEREALS LIMITED**  
...guaranteed well-being

## GRAND CEREALS LIMITED

S/NO	TOP 50 DISTRIBUTORS	STATE	ADDRESS
1	Feeze Nig Ent	Abia	131 Aba/Owerri Road, Aba, Abia State
2	Hsm Contemporary Services	Abuja	No 4 Pst Benson Close Andikan Estate Gwarinpa 2
3	Covenant Stride Ltd	Abuja	Block D Shop 126 Wuse Market Abuja.
4	Lemorji Ventures	Adamawa	No. 115 Bishop Street, Jimeta, Adamawa State
5	Cakuda Multi-Concept Limited	Adamawa	No. 2 Along Gss Road, Mubi, Adamawa State
6	Jvics Farm Nigeria	Akwa Ibom	Behind Kingsgate Baptist Church, Willie Udofa Street, Off Sunday Obot Akpan, Abak, Akwa Ibom
7	Palmark Agro & Vet Limited	Anambra	No. 4 Agulu Road, Nnobi, Anambra State
8	Udeze Anthony N Ventures	Anambra	Umuaevili Aguleri, Anambra
9	Chriscole Food Projects Limited	Anambra	Nkwo Road, Agulu, Nnewi, Anambra State
10	Tabitha Ibrahim Mrs	Bauchi	25 Kobi Street, Bauchi, Bauchi State
11	Sacas Enterprises	Bauchi	No 6 Ahmadu Bello Way Bauchi
12	Dio Agro Ventures	Bayelsa	Akenfa Bridee B/Stop, Yenogua, Bayelsa State
13	Dangallamme Ventures	Borno	Shop 11 Opp. Shehu Garbai Prim. School, Danboa Road, Maiduguri, Borno State
14	Erocom Global Ventures	Delta	No. 55 Nnpc Complex Road, Ekpan Warri, Delta State
15	Everyday Agro Service	Delta	57 Jarret Street Asaba, Delta State
16	Sunrise Global Agro Services	Enugu	No. 55 Benin-Onitsha Old Express Ogwashiuku, Delta State
17	Evamos Links Ventures	Imo	No. 4 Ibeme Street Egbu Road/Relief Market Road Junction, Owerri Municipal Council, Imo State
18	Nezy Farms	Imo	No 6 Tijani Street, Orlu, Imo State
19	Trimade Corporate Link Ltd	Jigawa	Rafin Sanyi Off Hakimi Street Dutse, Jigawa State
20	Jeromaski Farms Ltd	Kaduna	N.a.f Shopping Complex Kaduna/ 8, Bank Road Kaduna
21	Y.e.s Enterprises	Kaduna	Adjacent Jama'a Petroleum Station Ahmadu Bello Way Saminaka
22	Aliyyah & Amir Ventures Ltd	Kaduna	18 Park Road Zaria Kaduna State
23	Phed Agro Vet Nig Ltd	Kano	Gidan Kaji, Plot 1 & 2, Zungeru Road / Airport Road, Kano, Kano State
24	Gwanza Enterprises	Katsina	No. 10 M. D. Plaza, Yahaya Madaki Way, Katsina City, Katsina State
25	Alh Lawal D/Azumi Sukuni	Katsina	No. 115 Opp Veterinary Clinic, Hajin Gada, Funtua, Katsina State
26	Dan Kuchi Farm	Kebbi	Dankuchi Farm, Kamba, Dandi Lga, Kebbi State
27	J & H Ventures	Kogi	10 Beside Amusement Park Lokoja Kogi State
28	Mukrabs Consult	Kwara	3 Ejiba St. Beside Custom Office Asa Dam Rd Ilorin, Kwara
29	Potts Sroab Limited	Lagos	Cn 17c Aiyedoto Poultry Estate, Ojo, Lagos
30	Jehns Enterprises	Nasarawa	4 New Market Road, Lafia, Nasarawa State
31	Bolan Christ Ltd	Ogun	16, Olanrewaju St Akoka Lagos 49 Ibadan Road Ijebu Ode Ogun State



**GRAND CEREALS LIMITED**  
...guaranteed well-being

## GRAND CEREALS LIMITED

S/NO	TOP 50 DISTRIBUTORS	STATE	ADDRESS
32	Consolation Ventures	Oyo	Dacamca Hotel Junction Along Jereemily Road, Oyo Town
33	Atob Global Services Nig Ltd	Oyo	No. 1 Denlokun Village, Opp Williams Memorial Pack Oritemerin Rd, Ibadan Oyo State
34	Nolimit Agro Allied Ltd	Oyo	Akinyemi Bus-Stop, Ologun-Eru, Ibadan, Oyo State
35	Benita Ventures	Plateau	Opposite Fire Service, Bukuru-Jos Express Road, Jos Plateau
36	Mary Ventures	Plateau	Behind Total Filling Station Bukuru-Jos Expressway Bukuru
37	Makor Trading Company	Plateau	7, Lantang Street Jos Plateau
38	Boot, Belt & Beret Ltd. (Ajayi)	Plateau	1, Lipdo Close Dashik Jos Plateau State
39	Lawlad Integrated Services	Plateau	6/7, Boundary St. Jos Plateau State
40	Makplang Venture	Plateau	Opp. State Lowcost Housing Estate Bungba Mangu
41	Gcoml Multi Purpose Coop Soc	Plateau	17 Zawan Roundabout Bukuru Plateau State
42	Favour & Favour Global Resources	Rivers	Km 16 Port Harcourt / Aba Expressway, Oyigbo, Port Harcourt, Rivers State
43	Davison Farms	Rivers	3 Ofiri Close Off Rd 26, Woji Estate, Port Harcourt
44	Animal Affairs (Nig) Ltd	Rivers	38 Airport Road, Off Rumuokoro Roundabout, Opp Obio-Akpor Lga Headquarters, Port Harcourt, Rivers State
45	Ehino Agro Services	Rivers	No. 1 Nkpalu Junction, East-West Road, Port Harcourt, Rivers State
46	Umar Hussaini Shinkafi	Sokoto	Kofar Atiku Road, Sokoto, Sokoto State
47	A. K. Damagum Enterprises	Yobe	Yobe Savings & Loans Limited. Damaturu Yobe State
48	A.a Rasheed General Enterprises	Zamfara	No. 33 Canteen Area Gusau Zamfara

**NEW**

**Grand Richfil**  
NOURISHING CEREAL MEAL

**Fortified with Vitamins**  
**Double nutritional benefits**  
**of Maize and Wheat**





## Livestock Feeds PLC

S/No	Distributor	Location
1	Stet Nig. Enterprises	Abia
2	Skyvic Farms Ltd	Abuja
3	Dems Ebibri	Delta
4	Kenwoma Global Resources	Delta
5	Raburas Global Resources	Kano
6	Hbj-Plus Company	Lagos
7	Opytum Nig. Ltd	Ogun
8	Abba Ventures Ltd	Ogun
9	Omas Olopade Animal Care	Ogun
10	Bukky Choice Farm	Ogun
11	Ore Ofe Farms	Oyo
12	Paspro Farms	Plateau
13	De-Nwabuking Nig. Enterprises	Rivers



What's a happy home without a your Bestmate. Our Bestmate Masterbrand, the stable of all our high quality pet brands, conveys our strong bond for our pet, healthy well-being and a happy home. As we know, when the pet is happy, the home is too.



GRAND CEREALS LIMITED  
...guaranteed well-being

Km 17, Za'ang Roundabout, Jos, Plateau State. Care Line: 070-0000-0999 | [www.grandcereals.com](http://www.grandcereals.com) | [info@grandcereals.com](mailto:info@grandcereals.com)



## CAP Retail Footprints (Pan-Nigeria)

S/N	ADDRESS	LOCATION
1	No 157, Aba-Owerri Road, Aba, Abia State	Aba
2	Dennis Onele Ogah Shopping Plaza, 43 Afikpo Road, Abakaliki	Abakaliki
3	Beside Conoil Filling Station, Awolowo Avenue Omidia/Ibara Abeokuta	Abeokuta
4	Block A shop A001, Providence centre, Moshood Abiola Way, Abeokuta, Ogun.	Abeokuta
5	Arish Mall, Lugbe, Abuja.	Abuja
6	Kabom court , Gado Nasco Road, FHA, Kubwa, Abuja.	Abuja
7	308 Cadastral zone, Ahmadu Bello Way, Kado, Abuja	Abuja
8	Shop 06 Riko Arena, A/B Close, Off First Avenue, Gwarimpa, Abuja.	Abuja
9	NNPC Mega Filling station,City mall Boulevard, Gwagwalada, Abuja	Abuja
10	Suite GF7 Global Plaza, Plot 819 Cadastral zone, Lokogoma, Abuja	Abuja
11	Balab Plaza Beside Zartech, By Wuye Modern Market, Wuye, Abuja	Abuja
12	49,Ajilosun Road Ado- Ekiti, Ekiti State	Ado Ekiti
13	165, Old Lagos-Asaba Road, Boji Boji Owa, Agbor	Agbor
14	72 Arakale Road, Beside Ecobank , Akure, Ondo.	Akure
15	129, Milford Okilo Road, Amarata, Yenagoa. Bayelsa State	Amarata Yenegoa
16	417B, Idolor House, Nnebisi Road, Beside Uzoigwe Primary School, Asaba, Delta State	Asaba
17	72,Yakubu Gowon Crescent, Asokoro. Abuja	Asokoro
18	14 Old Court Road opposite Public Field	Auchi
19	Suite A1 , Amaoge (Ada Awka) Memorial Plaza, Opposite Central Bank ,Enugu –Onitsha Expressway , Awka, Anambra State	Awka
20	A420, Opposite Sabo Clinic, Ran Road, Bauchi	Bauchi
21	71, Akpakpava Road, James Watt, Benin City, Edo State	Benin
22	56, Adesuwa Road Gra Benin City	Benin
23	Elora Plaza, 162 Sapele Road, Benin.	Benin
24	135, Ndidem Usang Iso, Calabar	Calabar
25	Plot 185/186 Bakusa Industrial Layout Dei-Dei, Abuja	Dei-Dei Abuja
26	5 Shasha Road Akowonjo Dopemu , Opposite Union Bank, Lagos	Dopemu
27	No 2, Sani Abacha way,Dutse,Jigawa State	Dutse
28	La Trinity Mall, G.u Ake Road, Eliozeu - Port Harcourt	Eliozeu
29	19, Ogui Road, Canute House, Enugu	Enugu
30	Shop 1 Garden Plaza, Garden Avenue, GRA, Enugu	Enugu
31	*28, Rabiun Babatunde Tinubu Road, Apple Junction, Amuwo Odofin, Festac, Lagos	
32	Dunukofia Street, By FCDA, Area 11, Garki, Abuja	Garki Abuja
33	22A,Lanre Awolokun Road Gbagada Phase 11, Gbagada, Lagos	Gbagada
34	Alhajiyel Plaza, opposite Nipost Office, Bauchi Road, Gombe	Gombe
35	Suite 15-18, AJB Mall, Plot 1123, Oladipo Diya (Opposite Zenith Bank), Gudu, Apo District, Abuja	Gudu, Abuja
36	Plot 104,3rd Avenue, (Pa Michael Imodu) Gwarinpa II, Estate, Abuja	Gwarinpa Abuja
37	2a, Aare Avenue, Off Awolowo Road, New Bodija, Ibadan	Ibadan
38	12, Railway Goodshed Magazine Road, Jericho, Ibadan. Oyo State	Ibadan
39	27,Challenge Molete Road, Ibadan	Ibadan
40	21 Oyo Road, Opp Sango Police Station, Ibadan	Ibadan

S/N	ADDRESS	LOCATION
41	KM3 Alao Akala way, Elebu, Ibadan	Ibadan
42	Akord Shopping Mall, Bogije, Ibeju-Lekki	Ibeju /Lekki
44	25, Ibadan Road, Opposite Kroyal Fast Food, Ijebu Ode	Ijebu Ode
45	46 Ibadan Road, Ijebu-Ode , Ogun state.	Ijebu Ode
46	17a, Ajao Road, Off Adeniyi Jones Avenue, Ikeja, Lagos	Ikeja
47	15a Aromire, Ikeja	Ikeja
48	87 Opebi Road, Ikeja ,Lagos.	Ikeja
49	216 Lagos Road, Opposite Government Secondary School, Beside Coker Estate, Idiroko, Lagos State	Ikorodu
50	Fezel plaza 8A Kingsway Road Ikoyi, Lagos	Ikoyi
51	71, Awolowo Road, Ikoyi, Lagos	Ikoyi
52	17a Asa Dam Road, Ilorin, Kwara State	Ilorin
53	9a Osolo Way, Aswani Market Roundabout Off Int'l Airport Road, Ajao Estate, Isolo, Lagos	Isolo
54	Plot 492, Ahmadu Bello Way, Kado District	Jabi
55	Ah 20, Lagos Street, Kaduna	Kaduna
56	9b Niger street opposite Royal Tropicana hotel, Kano	Kano
57	107a Lamido Crescent Nasarawa Gra, Kano	Kano
58	Prince oil Station, Kugbo along Abuja/Keffi express way, Abuja	Karu
59	Muhammadu Buhari way by House of Assembly round about, Kebbi State	Kebbi
60	Okanga Shopping Plaza, Plot 174, Cadastral Zone, Kuje, FCT Abuja	Kuje Abuja
61	Former Wabas Restaurant, Opposite Nassarawa State Ministry Of Mineral Resources, Makurdi-Jos Road, Lafia Nassarawa	Lafia
62	Oando Fuel Station, 2nd Gate, Ikota, Lagos	Lagos
63	Km20, Lekki/Epe Express Way, Igbo Efon B/Stop	Lekki
64	12B, Admiralty Way, Opposite Ascon Filling Station, Lekki Phase 1, Lagos	Lekki Admiralty
65	Suite 1- 4 Bluecrest Mall, By Fara Park Estate, Majek Bus-Stop, Abijo, Ajah, Lagos	Lekki Ajah
66	KM 18/19 Lekki Epe Expressway, Igbo-Efon Bus Stop by Chevron Roundabout, Lagos	Lekki Chevron
67	Suite 4, Kristal Plaza, Opposite Muslim Community School, Lokogoma, Lokoja, Kogi State	Lokoja
68	No.1 Shop 8 Behind Danmarna Filling Station, Opposite Guardian Angel Catholic Police Chaplaincy, Lugbe Modern and Building Market Road, F.H.A. Lugbe, Abuja	Lugbe Abuja
69	Suit 5, No 61 Adekunle Banjo Avenue, Shangisha Magodo	Magodo
	10, Yedseram Street, Maitama Abuja	Maitama, Abuja
70	O.G. Winners Plaza, Suite A23/24, 29 New Bridge, Makurdi-Otukpo Road, Makurdi, Benue State	Makurdi
71	Shop GF 1,2 &3 Bashir Plaza , SW 495 keteren Gwari Road , Minna. Niger state.	Minna
72	280, Agege Motor Road Mushin	Mushin
73	27 Owerri Road, Nnewi, Anambra State	Nnewi
74	159, Ago Palace Way, Okota, Lagos	Okota
75	Trinity Complex, 109 Upper New Market Road, by DMGS Roundabout, Onitsha, Anambra State	Onitsha
76	91, Limca Road, Onitsha	Onitsha
77	46, Odi Olowo Street Beside Yetty Mama Hotel Osogbo, Osun State	Osogbo
78	124, Palm Royal Plaza, Opposite Lonia Clinic DSC Expressway, Ovwian Udu, Warri	Oviwian Udu
79	Plot 106 Okigwe Road Opp Federal Govt College, Owerri, Imo State	Owerri
80	Suite 005, Plot 109 Ikenegbu Layout by Maris Junction Owerri.	Owerri



## CAP Retail Footprints (Pan-Nigeria)

S/N	ADDRESS	LOCATION
81	12, Oduduwa (Lafarge) Car Wash B/S, Oworonshoki	Oworonshoki
82	64, Ada George Road, Mile 4 Rumueme, Port Harcourt	Rumueme Port Harcourt
83	Alheri house near Shaaban supermarket Sabontiti Kwado, Katsina State OR 6/7, Block B Yahaya Madaki Way Katsina State	Sabontiti Kwado
84	40 cemetery road , sapele, Delta	Sapele
85	No 8,Abdurrahman Dude road opposite Sultan Macciddo institution. Sokoto State	Sokoto
86	133, Ogunlana Drive, Opposite UBA Bank, Beside Access Bank, Surulere, Lagos	Surulere
87	36, Trans Amadi Road, Rumubiakani, Port Harcourt,	Trans Amadi
88	170, Isoko Road, Ughelli	Ugeheli
89	15 or 38 Mission Hill Road, Umuahia	Umuahia
90	Obafemi Awolowo,Utako	Utako
91	Plot 171, Gouba Plaza, AE Ekukinam Street, Utako District, Abuja	Utako Abuja
92	Suite 22/23 Emmanuel plaza plot 228 POW Manfani Crescent. Beside Chida Conference Centre.Utako, Abuja	Utako Abuja
93	115, Ikot Ekpene Road,opp former AKTC Transport, beside Keystone Bank, Uyo Akwa Ibom	Uyo
94	416B Oron Road, Uyo, Akwa-Ibom	Uyo
95	17a, Bishop Aboyade Cole Street, Victoria Island, Lagos	Victoria Island
101	40, Effurun Warri Road, Opposite Union Bank, After Urhobo College, Before Enerhen Junction, Warri	Warri
102	80, Effurun Road, Warri	Warri
103	300a, Effurun ,Sapele Road, Refinery Road, Warri	Warri
104	190/172, Aba Road, Opposite Waterlines Bus-Stop, Port Harcourt	Waterlines
105	1259 Aminu kano Crescent Wuse II Abuja, opposite Crystal Lounge	Wuse Abuja
106	Plot 3329, Lamido Aliyu Mustapha Road, Opposite Federal College of Education Main Gate, Yola, Adamawa State	Yola



**SNACKS**

	<b>Distributor</b>	<b>Location</b>
1	Skyseed Ventures	Enugu
2	Afamcharles Global Resources	Enugu
3	Rondasy Ent.(Sunpaul Sidney Nig.)	Lagos
4	Chain Distribution	Lagos
5	Japio Stores (Snacks)	Lagos
6	Ogunkoya Stores & Catering Services	Lagos
7	Victory Ucan Enterprises	Lagos
8	Jugla Venture	Nnewi
9	Don Chris Ventures	Onitsha
10	P & P Optimum Services	PHC

**DAIRIES**

	<b>Distributor</b>	<b>Location</b>
1	Naf & Man Global Services Ltd	Abuja
2	Nmo Consulting	Asaba
3	Zitonia Vent.	Enugu
4	Blessing & Wisdom Company Ltd	Lagos
5	Agbolade D. Enterprises	Lagos
6	Davace Ventures. Dairies	Lagos
7	Jab-Job Ventures	Lagos
8	Genesis Osha	Onitsha
9	P & P Optimum Services	PHC
10	Addy Cherub Enterprises	Warri

**SWAN**

	<b>Customer Name</b>	<b>Location</b>
1	Valerie Claire Nig Ltd	Abuja
2	Mbabell Nigeria Enterprise	Abuja
3	Mutoyle Adekunle	Abuja
4	Godsway Nig Ltd	Abuja
5	Rms Ventures	Abuja
6	Olayiwola Stores	Jos
7	Amana Stores	Kaduna
8	Mashekare Venture Nig Limited	Maiduguri
9	Johnsonap Ventures	Shendam
10	Major Dynamix Solutions Limited	Yola



## MR BIGG'S RESTAURANT LOCATIONS

STORE COUNT	RESTAURANT	STORE LOCATION	STATE
1	Oba Akran	Ap Filling Station, Oba Akran, Ikeja, Lagos	Lagos
2	Satellite	Mobil Filling Station, Alakija Bus Stop	Lagos
3	Lekki	Mobil Filling Station, Jakande Round About, Lekki	Lagos
4	Gowon Estate	149 3rd Avenue, A Close Fha Gowon Estate, Ipaja	Lagos
5	Abijo	Rainoil Filling Station, Abijo-Gra, Lekki Epe Expressway	Lagos
6	Boladale -Oshodi	8, Boladale Street, Oshodi	Lagos
7	Iyana Ipaja	Mobil Filling Station, No 52-53 Iyana Ipaja Road, Alaguntan, Lagos	Lagos
8	Ifako Gbagada	45 Diya Street, Ifako Gbagada	Lagos
9	Ejigbo	Oke Afa Isolo, Opposite Jakande Estate, Ikotun Ejigbo Road	Lagos
10	Ijeshatedo	30 Adesina Road, Ijesh - Tedo	Lagos
11	Ikotun	Beside Alimosho Lg Council Ikotun	Lagos
12	Command	Fatgbem Filling Station Ajasa Command	Lagos
13	Lagos Airport	Old Departure Hall, Beside Inland Bank, Local Airport	Lagos
14	Mafoluku -Beesam	1 Akanni Showunmi Street, Beesam, Mafoluku Lagos	Lagos
15	Northwest	Northwest Filling Station, Vgc Gate Ajah Express Way	Lagos
16	Ikeja Mall	Ikeja Shopping Mall, Alausa	Lagos
17	Abule Egba	Mobil Filling Station, Lagos-Abeokuta Expressway, Abule Egba	Lagos
18	Festac Link Road	Peridot Filling Station , 71, Festac Link Road, Amuwo Odofin	Lagos
19	Festival Mall	Golden Tulip Hotel,Amuwo Odofin . Festac	Lagos
20	Ogunlana	166, Ogunlana Drive, Surulere	Lagos
21	International Airport	Departure Wing Of International Airport	Lagos
22	Ajao	8b Osolo Way, Ajao Estate By Joy Street	Lagos
23	Alakuko	Ap Filling Station, Babs Animashaun Street, Dalemo Alakuko	Lagos
24	Agidingbi	Mobil Filling Station, Lateef Jakande Road, Agidingbi, Ikeja	Lagos
25	Magodo	Mobil Filling Station, Lagos-Ibadan Expressway, Magodo	Lagos
26	Ajah	Petrocam Filling Station, by Olokonla Bustop, Lekki-Epe Expressway	Lagos
27	Lakowe	Oando Filling Station, Lakowe, Lekki-Epe Expressway	Lagos
28	Oko-Oba	Mobil Filling Station, Old Lagos-Abeokuta Road, Agege	Lagos
29	Ojokoro	Total Filling Station, Lagos- Abeokuta Expressway, Ojokoro	Lagos

### WEST REGION

25	Ijebu Ode	124 Folagbade Street, Ijebu-Ode	Ogun
26	Idiroko	Mobil Filling Station Iyana Ago Idiroko Boarder Town	Ogun
27	Iwo Road	Iwo Rd Roundabout By Lamidi Ajadi And Sons Ltd, Ibadan.	Oyo
28	Ile-Ife	Opposite First Bank, Lagere, Ile-Ife.	Osun
29	Ring Road	Mobil Filling Station, Oluyole Estate, Ibadan	Oyo
30	Sagamu	140, Akarigbo Rd Sagamu	Ogun
31	Challenge	Mrs Filling Station, Mko Abiola Way Challenge, Ibadan	Oyo





## MR BIGG'S RESTAURANT LOCATIONS

STORE COUNT	RESTAURANT	STORE LOCATION	STATE
<b>EAST REGION</b>			
32	Sapele Road Benin	57 Sapele Road, Benin	Edo
33	New Market Road Onitsha	75, Upper New Market Road, Onitsha	Anambra
34	Asaba	No 329 Nnebisi Road, Opposite State Stadium, Asaba	Delta
35	Aggrey Road Phc	No 50 Aggrey Road, Aggrey, Port Harcourt, Rivers State.	Rivers
36	Nnewi	Igwe Orizu Road, Nnewi	Anambra
37	Nkpor, Onitsha	23 Limca Road, Nkpor. Onitsha	Anambra
38	Fegge	129 Port Harcourt Road, Fegge ,Onitsha	Anambra
39	Ekwulobia	12, Nnewi Road, Ekwulobia	Anambra
40	Auchi	Auchi Road	Edo
41	Owerri Mall	Owerri Mall, Egbu Road	Imo
42	Owerri 2	Ikenegbu Lay Out Oweeri	Imo
43	Awada	Eze Iweka, Hospital Road	Anambra
<b>NORTH REGION</b>			
44	Jos 1	40/42 Ahmadu Bello Way Jos	Plateau
45	Jos 2	37b Yakubu Gowon Way, Jos Plateau State	Plateau
46	Minna	Tunga Bosso Road, Minna	Niger
47	Jos 3	Zaria Rd,Gada Biu, Jos	Plateau
48	Sokoto	12 Maiduguri Rd Sokoto	Sokoto
49	Utako	Mobile Filling Station , Utako. Abuja.	Fct
50	Apo	Purple Stone Mall, Apo Resettlement Area	Fct
51	Kaduna	28, Kachia Road, Sabo N'tasha Kaduna	Kaduna


**DEBONAIRS PIZZA**

## DEBONAIRS PIZZA STORE LOCATIONS

	RESTAURANT	STORE LOCATION	STATE
1	Northwest	Northwest Filling Station Vgc	Lagos
2	Lekki Admiralty	1 Victoria Arobieke Street, Off Admiralty Way Lekki Phase 1, Lekki	Lagos
3	Ikoyi	75, Awolowo Road, Mobil Filling Station Ikoyi	Lagos
4	Festac Link Road	72, Amuwo Odofin, Peridot Filling Station Festac Link Amuwo Odofin	Lagos
5	Ajao	8b Osolo Way, Ajao Estate By Joy Street	Lagos
6	Owerri	Shop 28, Owerri Mall, Egbu Road Owerri Mall	Imo
7	Abuja	Mobil Filing Station, Sultan Abubakar	Abuja



## MDS Logistics Limited

S/N	Location	Warehouse Addresses
<b>NORTH-NORTH REGION</b>		
1	Gombe	Plot 8, Biu Road, Adjacent Zenith Bank, Gombe
2	Kaduna 2	1, Waziri Ibrahim Crescent, Abakpa, Gra
3	Kaduna 1	No. 3, Makera Road, Off Kachia Road, Kaduna
4	Kano	33, Niger Street Kano
5	Katsina	Plot 12, Nagogo Road (Canteen Rd), Gra, Katsina
6	Maiduguri	10, Nguru Road, Borno
7	Sokoto	8, Abdullahi Fodio Road, Sokoto
8	Zaria	4 Manchester Road, Zaria
<b>NORTH-CENTRAL REGION</b>		
9	Abuja	Idu Industrial Estate, Off Airport Jabi Road
10	Jalingo	5b, Hospital Road, Jalingo
11	Markurdi	1, Beach Road, New Garage, Wadata Benue
12	Minna	53 Ibrahim Dada Paiko Road, Off Shiroro Road, Niger Road Minna
13	Jos Main	28, Muritala Mohammed Way Jos Plateau
14	Jos	Plot 6660, Anglo Jos Industrial Layout, Off Old Airport Road, Jos
15	Yola	42 Kashim Ibrahim Way, Jimeta Adamawa
16	Lokoja	10 UAC Main Building, Uba Road, Waterside, Kogi
17	Suleja	Along Kaduna/Lokoja Express Way, Dumex Junction, Suleja Niger
18	Bida	64, Zungeru Road, Niger
<b>EAST REGION</b>		
19	Aba	13, Factory Road, Aba
20	Calabar	Plot 32, Northern Industrial Estate, Harbour Road, Cross River
21	Enugu Main	20, Okpara Avenue, Achara 400102, Enugu
22	Onitsha	Plot 5, Dozy Crescent, Niger Bridge Road, Anambra
23	Owerri	Km 5, Okigwe Road, Off Mbieri Road, Orji, Imo
24	Port Harcourt	4 Forces Avenue, Old Gra Rivers,
25	Umuahia	2 Mayne Avenue, Opposite First Bank PLC, Abia
26	Uyo	Km 11, Ikot Ekpene Road, UAC House, Akwu Ibom
<b>WEST REGION</b>		
27	Benin	27, Oba Market Road, Edo
28	Ijebu Ode	174, Folagbade Street, Opp. Former Odutola Stores, Ogun
29	Abeokuta	UAC Complex, Ibara Roundabout, Ogun
30	Ilorin	111 Murtala Mohammed Way, Kwara
31	Ondo	UAC Compound, 2 Ododibo Street, Idi-Ishin, Ondo
32	Oshogbo	3 Station Rd, Opposite Gen Post Office, Osun
33	Oyo	Ishola Motors Building, Ogbomosho Road, Oyo State
34	Warri	4, Igbogigi Orhuwhorun Road, Mofor Junction Beside Emu Bakery Road, Delta
35	Sapele	6, Palm Avenue, Delta
36	Ibadan	1, Magazine Road, Jericho Dugbe, Oyo State
37	Lagos	2, Ajao Road, Adeniyi Jones, Lagos
38	Lagos	32, Kudirat Abiola Way, Oregun Ikeja Lagos
39	Lagos	16, Creek Road, Apapa Lagos



# MUNCH MORE AT MR BIGG'S



 **07080601163, 08031230455 (TOLL FREE)**

 **mrbiggs online**

 **mrbiggsng**

 **mrbiggsnigeria**

 **customer care@uacrestaurants.com**

 **www.mrbiggs.com.ng**



# PROXY FORM


**UAC OF NIGERIA PLC**

Annual General Meeting of UAC of Nigeria PLC (the "Company") to be held on Wednesday, June 22<sup>nd</sup>, 2022 at 12<sup>th</sup> Floor, UAC House, 1-5 Odunlami Street, Lagos at 10:00am

Attendance at the meeting shall be by proxy. Shareholders are required to appoint a proxy of their choice from the list of proxies below:

## Name of Proxy

- Mr. Dan Agbor
- Mr. Folasope Aiyesimoju
- Mr. Olabisi Fayombo
- Mrs. Adebisi Bakare
- Mrs. Temilade Durojaiye
- Comrade Lawrence Oguntoye
- Pastor Samson Olagoke

Mr. Daniel Agbor, Chairman of the Meeting, or one of the designated proxies, will act as default proxy for shareholders who send in executed proxy forms but do not appoint a proxy. Your proxy will attend the Meeting and vote on your behalf. Save for the election of Statutory Audit Committee members, voting at the Meeting will be by poll

I/We (name in block letters)

Being member(s)/a shareholder of UAC of Nigeria PLC, hereby appoint (in block letters)

Or failing him/her, (in block letters)

Or failing him/her, (in block letters)

Or failing him/her, (in block letters)

As my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of UAC of Nigeria PLC (the "Meeting") to be held at 10:00am on Wednesday, June 22<sup>nd</sup>, 2022, and at any adjournment thereof.

Dated this \_\_\_\_\_ of \_\_\_\_\_, 2022

Shareholder's Signature \_\_\_\_\_

## NOTES

- Please sign this Proxy Form and return it, physically to the Registrar, Africa Prudential PLC, 220B, Ikorodu Road, Palmgrove, Lagos, Nigeria; or via email, to [cxc@aficaprudential.com](mailto:cxc@aficaprudential.com) not later than 48 hours before the time appointed for the Meeting and ensure that the Proxy Form is dated and signed. If executed by a corporate body, this Proxy Form should be executed by its authorised representative(s)
- In the case of joint shareholders, any of them may complete this form, but the names of all joint shareholders must be stated
- It is a requirement of the law under the Stamp Duties Act that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be clearly stamped in accordance with the Stamp Duties Act. The Company has made arrangements at its expense, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time
- The Meeting will be streamed live online to enable shareholders and other stakeholders who will not attend the Meeting physically to follow the proceedings. The link for live streaming of the Meeting will be made available on the Company's website at [www.uacnplc.com](http://www.uacnplc.com)

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, JUNE 22<sup>nd</sup>, 2022**

Please indicate your vote by placing an 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out below.

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2021 and the Report of the Directors, Auditors and Audit Committee thereon.			
2.	To declare a dividend			
3.	To re-elect the following directors who are retiring by rotation: (i) Mrs. Suzanne Iroche (ii) Mr. Karl Toriola			
4.	To authorize the Directors to fix the remuneration of the External Auditors for the 2022 Financial Year.			
5.	To elect members of the Statutory Audit Committee			
6.	To disclose the Remuneration of Managers of the Company.			

SPECIAL BUSINESS		FOR	AGAINST	ABSTAIN
1.	To fix the remuneration of Directors			
2.	To approve the appointments of the following Directors: (a) Mrs. Funke Ijaiya-Oladipo (b) Mr. Khalifa Biobaku			
3.	To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:  "That a general mandate be and is hereby given, authorizing the company through the Directors to enter into recurrent transactions with related parties or companies until reviewed by the Company at an Annual General Meeting."			
4.	To consider and if thought fit, pass the following Resolution as an ordinary resolution of the Company:			
4.1	"That the following proposals by the Directors in connection with the dividend to be declared by the Company in respect of the year ended 31 December 2021 be and are hereby approved:  (a) That shareholders entitled to receive cash dividends be offered a right of election to receive ordinary shares in the Company ("New Ordinary Shares") instead of cash dividends, and that such New Ordinary Shares be credited as fully paid; and when issued, shall rank pari passu in all respects with the Company's existing ordinary shares;  (b) That the election to receive ordinary shares instead of cash dividends shall have been exercised by shareholders on or before June 14, 2022;  (c) That the New Ordinary Shares to be received by Shareholders shall be determined by their cash dividend entitlements divided by a Reference Share Price, which Reference Share Price shall be the 10-day average (starting on June 8, 2022) of the Company's closing share price on the floor of Nigerian Exchange Group; and  (d) That further to the above approval, the Directors be, and are hereby, authorised to allot to shareholders who elect to receive ordinary shares in the Company in lieu of cash dividends, such number of New Ordinary Shares as shall be determined by the Directors in the manner set out in resolution (c) above.			
4.2	That upon completion of the process for the payment of dividend (including without limitation, the allotment of the New Ordinary Shares to shareholders who elect to receive same); and in compliance with Section 124 of the Companies and Allied Matters Act No. 3 of 2020 (as amended) and the Companies Regulations 2021, the shareholders hereby approve the cancellation of all of the unissued shares of the Company and authorise the Directors to take all such lawful steps as may be required by statute and/or regulations for implementing the cancellation of the Company's unissued shares.			
4.3	That the Directors be and are hereby authorised to take all such lawful steps, pass all requisite resolutions and do all such other lawful acts and/or things as may be necessary for and/or incidental to giving effect to resolutions 10.1 and 10.2 above; and all prior lawful steps taken by the Directors in the above regard be and are hereby ratified.			
5.	"To consider and if thought fit, approve as special resolution of the Company: (a) That subsequent to the cancellation of all of the unissued shares in the share capital of the Company in accordance with resolution 10.2 above, Clause 6 of the Memorandum of Association and Article 5 of the Articles of Association of the Company be amended as necessary to reference only the issued shares in the share capital of the Company."			




**UAC OF NIGERIA PLC**
**2022 Annual General Meeting Admission Card**

Please admit the Shareholder named on this Card or his/her duly appointed proxy to the Annual General Meeting to be held at 10:00am on Wednesday, June 22<sup>nd</sup>, 2022 at 12<sup>th</sup> Floor, UAC House, 1-5 Odunlami Street, Lagos.

Name of Shareholder: \_\_\_\_\_

Address of Shareholder: \_\_\_\_\_

Status: Shareholder ☐ Proxy ☐

Signature: \_\_\_\_\_

THIS CARD IS TO BE SIGNED AT THE VENUE BY THE REGISTRAR


**UAC OF NIGERIA PLC**

Annual General Meeting Admission Card

Name and Address of Shareholder

Signature of person attending

\_\_\_\_\_

SHAREHOLDER \_\_\_\_\_

PROXY \_\_\_\_\_

PLEASE AFFIX  
STAMP

If undelivered, please return to

**The Registrar**  
Africa Prudential PLC  
220B Ikorodu Road,  
Palm Groove,  
Lagos  
Tel: 0700 AFRIPRUD or 070023747783  
web: [www.africaprudential.com](http://www.africaprudential.com)  
email: [cxc@africaprudential.com](mailto:cxc@africaprudential.com)





## ELECTION FORM

### IN RESPECT OF SCRIP DIVIDEND

By completing this form, you agree that your personal data contained below will be processed by UAC of Nigeria PLC and Africa Prudential Registrars PLC in accordance with the provisions of the Nigeria Data Protection Regulations, 2019

If you wish to participate in the UAC of Nigeria PLC Scrip Dividend Election Scheme ("the Election"), please complete, sign, detach and return this form to the Registrar, Africa Prudential Registrars PLC, 220B, Ikorodu Road, Palmgrove, Lagos no later than June 14, 2022. This Election Form may also be submitted electronically by email to **cxc@afriaprudential.com** on or before June 14, 2022.

**Please note that if you do not make an election, your final dividend would be paid in cash.**

To the Directors of UAC of Nigeria PLC ("UAC")

Surname	
Other Names	
Address	
City	
Telephone Number	
Email	
Joint Holder (Surname)	
Other Names	
Name of Stockbroker	
CHN Number	
CSCS Number	
Bank Name	
Bank Branch	
Account Number	
BVN	
Date	

I/We (whose details are contained below) being a registered holder(s) of ordinary shares of UAC, confirm that I/We have read and understood the Explanatory Notes on the Election which was posted alongside the Notice of Annual General Meeting and the 2021 Annual Report and Accounts and is available on the Company's website, and wish to participate in the Election:

I/We hereby indicate and confirm my/our election to receive the:

Please indicate your preference by ticking ONE of the boxes below	
<b>Cash Dividend</b> <input type="checkbox"/>	<b>Shares in UAC</b> <input type="checkbox"/>

**Signature**

**Joint Signature**

**Company Seal**

If the Shareholder is a Corporation, this form must be signed under the hand of authorised representatives of the company or attorney. In the case of Joint Shareholders, any of them may complete the form, but the names of ALL Joint Shareholders must be stated. \*Please note that the Election is subject to the approval of shareholders at the Annual General Meeting slated for June 22, 2022.





## E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | \* = COMPULSORY FIELDS

1. \*SURNAME/COMPANY NAME

2. \*FIRST NAME  3. OTHER NAME

4. \*GENDER ☐ M ☐ F 5. E-MAIL

6. ALTERNATE E-MAIL

7. \*DATE OF BIRTH

8. \*MOBILE (1)  (2)

9. \*ADDRESS

10. OLD ADDRESS (if any)

11. \*NATIONALITY  12. \*OCCUPATION

13. \*NEXT OF KIN  NAME  MOBILE

14. \*MOTHER'S MAIDEN NAME

15. BANK NAME  16. A/C NO.

17. A/C NAME  18. A/C OPENING DATE

19. BANK VERIFICATION NO. (BVN)  20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

### DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

#### CLIENTELE

1. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
2. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. ALUMACO PLC	<input type="checkbox"/>
7. A.R.M LIFE PLC	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. GLOBAL SPECTRUM ENERGY SERVICES PLC	<input type="checkbox"/>
26. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
28. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
29. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
30. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
31. P.S MANDRIDES PLC	<input type="checkbox"/>
32. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
33. PREMIER BREWERIES PLC	<input type="checkbox"/>
34. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
35. ROADS NIGERIA PLC	<input type="checkbox"/>
36. SCOA NIGERIA PLC	<input type="checkbox"/>
37. TRANSCORP HOTELS PLC	<input type="checkbox"/>
38. TRANSCORP PLC	<input type="checkbox"/>
39. TOWER BOND	<input type="checkbox"/>
40. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
41. UACN PLC	<input type="checkbox"/>
42. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
43. UNITED CAPITAL PLC	<input type="checkbox"/>
44. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
45. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
46. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
47. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
48. UNITED CAPITAL NIGERIAN EUROBOND FUND	<input type="checkbox"/>
49. UNITED CAPITAL WEALTH FOR WOMEN FUND	<input type="checkbox"/>
50. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
51. UNIC INSURANCE PLC	<input type="checkbox"/>
52. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
53. UTC NIGERIA PLC	<input type="checkbox"/>
54. VFD GROUP PLC	<input type="checkbox"/>
55. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>
OTHERS:	<input type="text"/>

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@aficaprudential.com | www.aficaprudential.com | @afiprud







RC 649007

## E-DIVIDEND MANDATE ACTIVATION FORM

Affix  
Recent Passport  
Photograph

**USE GUM ONLY  
NO STAPLE PINS**
*(to be stamped by your banker)*  
ONLY CLEARING BANKS ARE ACCEPTABLE

### INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

#### The Registrar

Africa Prudential Plc  
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number (BVN): 

Bank Name: 

Bank Account Number: 

Account Opening Date:  DD  MM  YYYY

### SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth  DD  MM  YYYY

Surname/Company's Name  First Name  Other Name 

Address 

City  State  Country 

Clearing House Number (CHN) (if any)  C  Name of Stockbroking Firm 

Mobile Telephone 1  Mobile Telephone 2 

E-mail Address 

### DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:  Signature:  Company Seal (if applicable) 

Joint/Company's Signatories

Please tick against the company(ies) where you have shareholdings

#### CLIENTELE

1. ABBEY MORTGAGE BANK PLC ☐
2. ADAMAWA STATE GOVERNMENT BOND ☐
3. AFRILAND PROPERTIES PLC ☐
4. AFRICA PRUDENTIAL PLC ☐
5. A & G INSURANCE PLC ☐
6. ALUMACO PLC ☐
7. A.R.M LIFE PLC ☐
8. BECO PETROLEUM PRODUCTS PLC ☐
9. BUA GROUP ☐
10. BENUE STATE GOVERNMENT BOND ☐
11. CAP PLC ☐
12. CAPP AND D'ALBERTO PLC ☐
13. CEMENT COY. OF NORTHERN NIG. PLC ☐
14. CSCS PLC ☐
15. CHAMPION BREWERIES PLC ☐
16. CWG PLC ☐
17. CORDROS MONEY MARKET FUND ☐
18. EBONYI STATE GOVERNMENT BOND ☐
19. GOLDEN CAPITAL PLC ☐
20. INFINITY TRUST MORTGAGE BANK PLC ☐
21. INVESTMENT & ALLIED ASSURANCE PLC ☐
22. JAIZ BANK PLC ☐
23. KADUNA STATE GOVERNMENT BOND ☐
24. LAGOS BUILDING INVESTMENT CO. PLC ☐
25. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
26. MED-VIEW AIRLINE PLC ☐
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc) ☐
28. NEXANS KABLEMETAL NIG. PLC ☐
29. OMOLUABI MORTGAGE BANK PLC ☐
30. PERSONAL TRUST & SAVINGS LTD ☐
31. P.S MANDRIDES PLC ☐
32. PORTLAND PAINTS & PRODUCTS NIG. PLC ☐
33. PREMIER BREWERIES PLC ☐
34. RESORT SAVINGS & LOANS PLC ☐
35. ROADS NIGERIA PLC ☐
36. SCOA NIGERIA PLC ☐
37. TRANSCORP HOTELS PLC ☐
38. TRANSCORP PLC ☐
39. TOWER BOND ☐
40. THE LA CASERA CORPORATE BOND ☐
41. UACN PLC ☐
42. UNITED BANK FOR AFRICA PLC ☐
43. UNITED CAPITAL PLC ☐
44. UNITED CAPITAL BALANCED FUND ☐
45. UNITED CAPITAL BOND FUND ☐
46. UNITED CAPITAL EQUITY FUND ☐
47. UNITED CAPITAL MONEY MARKET FUND ☐
48. UNITED CAPITAL NIGERIAN EURO BOND FUND ☐
49. UNITED CAPITAL WEALTH FOR WOMEN FUND ☐
50. UNIC DIVERSIFIED HOLDINGS PLC ☐
51. UNIC INSURANCE PLC ☐
52. UAC PROPERTY DEVELOPMENT COMPANY PLC ☐
53. UTC NIGERIA PLC ☐
54. VFD GROUP PLC ☐
55. WEST AFRICAN GLASS IND PLC ☐

OTHERS: 

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@aficaprudential.com | www.aficaprudential.com | @afriprud









# FULL DEMATERIALIZATION FORM FOR MIGRATION

**INSTRUCTION:** Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ "the company". I recognize this will invalidate any certificate(s) in my possession,  
or which might come into my possession in respect of my total holding(s) in this/this company.

Affix recent  
passport  
photograph

## SECTION A:

**SHAREHOLDER'S FULL NAMES:**

<i>Surname</i>	<i>First Name</i>	<i>Middle Name</i>

USE GUM ONLY  
NO STAPLE PINS

**ADDRESS:**

[illegible]

**GENDER:** Male ☐ Female ☐

**DATE OF BIRTH:** DDMMYYYY

**CSCS INVESTOR'S A/C NO.:**

CLEARING HOUSE NUMBER(CHN): C

REGISTRAR'S ID NO (RIN):

### BANK DETAILS FOR DIRECT SETTLEMENT

**ACCOUNT NAME:**

**BANK:**

BANK A/C NUMBER:

Must be NUBAN

BVN:

Must be confirmed by bank

AGE OF A/C:

Must be confirmed by bank

				
<b>Authorized Signature (1)</b> <i>(and stamp of Stockbroker)</i>	<b>Authorized Signature (2)</b> <i>(and stamp of Stockbroker)</i>	<b>Shareholder's Signature &amp; Date</b>	<b>Shareholder's Signature &amp; Date (2)</b> <i>(if applicable)</i>	

### CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

**SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)**

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

### CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Dated this   day of   , 20

[illegible]

Signature: \_\_\_\_\_

Joint (2) (if applicable): \_\_\_\_\_

Joint (3) (if applicable): \_\_\_\_\_

**In the Presence of:**

Name:  GSM NO:

**Address:**

Signature: \_\_\_\_\_

**THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY**

On behalf of  Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified against all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

**Authorized Signatory (1):**

Authorized Signatory (2):

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: [cxc@africaprudential.com](mailto:cxc@africaprudential.com) | [www.africaprudential.com](http://www.africaprudential.com) | @afriprud











(A member of Custodian Investment Plc)



- INNOVATION
- EXPERTISE
- EXCELLENCE



#### OUR CORE BUSINESS LINES



DEVELOPMENT MANAGEMENT



PROPERTY MANAGEMENT  
ASSET MANAGEMENT



FACILITIES MANAGEMENT



ADVISORY SERVICES

**PINNOCK  
PRIME**

## COMPANY HIGHLIGHTS

25

Years of Experience in Real Estate

1000+

Residential Units Developed

120

Years Combined Real Estate Experience  
of Executives

27

Estates Under Management

₦22BN

Total Assets



[uacnplc.com](http://uacnplc.com)