



UAC of Nigeria PLC
Consolidated and Separate Financial Statements for the year
ended 31 December 2022

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2022

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Corporate Information

Board of Directors

Mr. Daniel Owor Agbor	Non-Executive Chairman
Mr. Folasope Babasola Aiyesimoju	Group Managing Director
Dr. Vitus Chidiebere Ezinwa	Chief Operating Officer
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director
Mr. Khalifa Adebayo Biobaku	Non-Executive Director
Mr. Babatunde Oladele Kasali	Non-Executive Director
Mr. Bolaji Adekunle Odunsi	Non-Executive Director
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director
Mr. Karl Olutokun Toriola	Independent Non-Executive Director

Company Secretary/Group General Counsel

Ayomipo Wey

Email: info@uacnplc.com

Registered Office

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

Company Website

www.uacnplc.com

Bankers

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

Independent Auditor

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

The Registrar

Africa Prudential PLC
220B Ikorodu Road,
Palmgrove,
Lagos
Phone: 0700 AFRIPUD or 0700 237 47783
Email: cxc@africaprudential.com

Tax Identification Number (TIN)

01767079-0001

UAC of Nigeria PLC

Investor Relations Statement

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

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Financial Highlights to the Audited Consolidated and Separate Financial Statements

	Group			Company		
	2022	2021	%	2022	2021	%
	N'000	N'000	change	N'000	N'000	change
Revenue	109,270,399	101,376,839	8	1,008,941	877,457	15
Operating (loss)/profit	(2,383,926)	5,013,916	n/m	441,687	1,481,042	30
Net finance income/(cost)	(2,084,834)	(10,107)	20,528	289,021	1,006,204	(71)
(Loss)/profit before minimum tax	(4,365,316)	4,108,373	n/m	730,708	2,487,246	(71)
Minimum tax	(456,730)	(78,721)	480	-	-	-
Income tax credit/(expense)	822,543	(1,440,493)	n/m	(48,880)	(142,622)	66
(Loss)/profit after tax for the year from continued operations	(3,542,773)	2,667,880	n/m	681,828	2,344,624	(71)
(Loss)/profit after tax for the year from discontinued operations	6,508	(2,105)	(409)	-	-	-
(Loss)/profit for the year	(3,536,265)	2,665,775	n/m	681,828	2,344,624	(71)
Total equity	45,280,211	50,838,306	(11)	31,286,674	31,805,046	(2)
Total equity and liabilities	93,827,606	98,931,756	(5)	40,620,810	41,068,205	(1)
Cash and cash equivalents	16,196,969	11,409,946	42	4,957,606	4,303,878	15
Earnings/(loss) per share (kobo) - Basic	(107)	62	n/m	24	81	(71)
Dividend per share (kobo) - Proposed/actual	25	65	(62)	25	65	(62)
NGX quotation as at December 31 (kobo)	1,025	950	8	1,025	950	8
Number of shares in issue ('000)	2,926,131	2,881,296	2	2,926,131	2,881,296	2
Market capitalisation as at December 31 (N'000)	29,992,843	27,372,312	10	29,992,843	27,372,312	10

n/m - Not meaningful

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Directors' Report

The Directors have the pleasure of presenting the annual report for the year ended 31st December 2022, together with the audited consolidated and separate financial statements of UAC of Nigeria PLC (the "Company").

Profit for the year

	Group		Company	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
(Loss)/Profit for the year	(3,992,995)	2,587,054	681,828	2,344,624

Dividend

The Directors have recommended the payment of an ordinary dividend of 22 Kobo (2021: 65 Kobo) per ordinary share to members. The resolution to this effect will be put to the meeting, for the approval of members.

Activities

UAC of Nigeria PLC is a holding company with five (5) subsidiaries with interests 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 Corporate Governance report (this "Report") contains detailed information on the Company's governance structures, policies, and practices, as well as environmental and social risks and opportunities. The Company's corporate governance is structured in compliance 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

The Company's Articles of Association stipulate that the Board of Directors shall control and manage the Company's business, and exercise any rights not reserved to be exercised by the Company in general meeting as required by statute or the Articles of Association.

As at the time of this report, the Company's Board of Directors (the "Board") is 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, distinct from the Group Managing Director ("GMD"). The GMD leads the management team of the Company in accordance with the Board's mandate. The current list of the members of the Board and their classification are as follows:

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

All the Directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, Non-Executive Directors may elect to seek counsel 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:

- 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 Memorandum and Articles of Association, applicable laws, regulations, standards and the Nigerian Code of Corporate Governance 2018;
- Defining the scope of authority delegated to Board Committees and senior management, including relevant checks and balances; and
- Defining the scope of corporate social responsibility through the approval of relevant policies.

Gender diversity and proportion of women in UAC of Nigeria PLC

The Company remains committed to ensuring equal work place opportunities within the organisation irrespective of gender. There is strong female representation within middle and senior management, as well as at board level across the UAC group.

Board appointment process, induction and training of board members

The process for appointing Directors involves determining if there is need to appoint an additional Director, either to fill a vacancy or otherwise. The curriculum vitae of suitable candidates proposed by Board Members, having regard to the required skills, competence and experience, are referred to the Governance and Remuneration Committee (the "GRC").

The GRC reviews the suitability of potential candidates in line with 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. In line with 285 of the Companies and Allied Matters Act 2020, a third of the non-executive members of the Board retire by rotation at Annual General Meetings. They may opt to re-present themselves to members of the Company at Annual General Meetings for re-election to the Board.

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 the current year, remuneration, demands on his/ her time, and disclosure requirements. Letters of appointment are accompanied by induction 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; 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. Newly appointed Directors are availed with Board and Board Committee minutes to help them gain insight and have a better understanding of the key deliberations of the Board in the preceding years. In addition, newly-appointed Directors are briefed on the UAC legacy; core values and business verticals; corporate governance framework; fiduciary duties of Directors; the Company's delegation of authority framework; the Company's investor relations; and performance and talent management at the Company. They are also given an overview of the Company's budget.

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

Board Evaluation

Pursuant to Section 14 of the Nigerian Code of Corporate Governance 2018, a board evaluation exercise was carried out by DCSL Corporate Services Limited ("DCSL") in 2022 to assess the performance of the Board benchmarked with the Company's objectives. Upon completion of the evaluation exercise, DCSL opined that:

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

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

Retirement, Re-Election, and Election of Directors

Retirement

Dr. Umaru Alka, a Non-Executive Director and member of the Board Governance and Remuneration Committee, who was appointed to the Board in 2013, retired with effect from June 25, 2022. The Board commends Dr. Alka for his hard work, commitment and availability over the years.

Re-Election and Retirement

In accordance with Article 90 (3) of Articles of Association of the Company and Section 285 of CAMA, Mr. Babatunde Kasali and Mr. Daniel Agbor are the directors retiring by rotation. Mr. Daniel Agbor being eligible, offer himself for re-election. The biographical information of Mr. Daniel Agbor is contained in the Annual Report of the Company. Mr. Babatunde Kasali is due to retire from the Board upon attaining age 70 on July 2, 2023 in line with the Board charter. Given that his retirement is 11 days post this Annual General Meeting, Mr. Babatunde Kasali will not be offering himself for re-election and will retire at this Annual General Meeting.

Appointment/Election

Mr. Biobaku Khalifa, the Non-Executive Director who was appointed to the Board since the last Annual General Meeting, will retire at the meeting, and being eligible, offers himself for election. Mr. Khalifa's biographical information is contained in the Annual Report of the Company.

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Board meetings

The Board met seven (7) times during the 2022 financial year. The following table shows the attendance of Directors at the Board Meetings:

Attendance of Directors at 2022 Board Meetings

Directors	2/2/2022	29/3/2022	29/4/2022	22/6/2022	27/7/2022	28/10/2022	7/12/2022
Mr. Daniel Aqbor	P	P	P	P	P	P	P
Mr. Folasope Aiyesimaju	P	P	P	P	P	P	P
Dr. Vitus Ezinwa	P	P	P	P	P	P	P
Mrs. Babafunke Ijaiya-Oladipo	IA	P	P	P	P	P	P
Dr. Umaru Alka (retired w.e.f. 25/06/2022)	P	P	P	P	NLM	NLM	NLM
Mr. Babatunde Kasali	P	P	P	P	P	P	P
Mr. Bolaji Odunsi	P	P	P	P	P	AWA	P
Mrs. Suzanne Iroche	P	P	P	P	P	P	P
Mr. Karl Toriola	P	P	P	P	P	AWA	AWA
Mr. Khalifa Biobaku (appointed w.e.f. 29/03/2022)	NYM	NYM	P	P	P	P	P

Keys:

P – Present

IA - In attendance

AWA - Absent with apology

NLM - No longer a member

NYM - Not yet a member

Composition of Board Committees

The Board functioned through two Board Committees, namely: Risk Management Committee and Governance and Remuneration Committee during the 2022 financial year.

Board Committees make recommendations for approval by the full Board.

1. The Risk Management Committee

As of December 31, 2022, the Risk Management Committee comprised five (5) members, three (3) Non-Executive Directors and two (2) Executive Directors.

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

- a) Making recommendations to the Statutory Audit Committee of the Company regarding appointment of Independent Auditor;
- b) Assessing the independence of the Company's designated Independent Auditors before they are appointed, and from time to time thereafter, bearing in mind that:
 - an Independent Auditor cannot function in the role of management;
 - an Independent Auditor cannot audit its own work; and
 - an Independent Auditor cannot serve in an advocacy role for its client.
- c) Understanding the principal risks to achieving the Company's objectives;
- d) Overseeing the establishment of a management framework that defines the Company's risk policy, risk appetite, and risk limits;
- e) Ensuring that the Company's business profile and plans are consistent with the Company's risk appetite;
- f) Assisting the Board in overseeing risk management, and monitoring the Company's performance in relation to risk management;
- g) Periodically reviewing the key controls, processes, and practices of the Company, including limit structure;
- h) Monitoring, reviewing and challenging all aspects of the Company's profile, and key risk management practices;
- i) Periodically evaluating the Company's risk profile, action plans to manage substantial risks, and progress on the implementation of these plans;
- j) Monitoring risk management policies to ensure they are integrated into the Company's culture;
- k) Reviewing quarterly risk management reports, and making recommendations to the Board on appropriate actions;
- l) Ensuring the Company's risk exposures are within risk control approval limits;
- m) Assessing new risk-return opportunities;
- n) Undertaking at least annually, a thorough risk assessment covering all aspects of the Company's business and using the results of the risk assessment to update the risk management framework of the Company;
- o) Reviewing the structure for, and implementation of, risk measurement and reporting standards, as well as, methodologies;
- p) Ensuring disclosure of the Company's risk management policies and practices in the Company's Annual Report;
- q) Reviewing UAC management's updates on implementation levels of internal and external auditor's recommendations;
- r) Recommending for Board approval, the appointment of an Internal Audit Service Provider;
- s) Periodically evaluating the performance of UAC's Internal Audit Service Provider and making recommendations to the Board;
- t) Periodically reviewing the adequacy of the resources with which the Internal Audit and Risk management functions discharge their duties;
- u) Overseeing the establishment of Whistle Blowing procedures;
- v) Overseeing UAC's policies and processes regarding financial reporting;
- w) Overseeing UAC's treasury reporting, including cash forecasting;
- x) Reviewing the Group's operational performance;
- y) Making recommendations to the Board on capital expenditure and specific projects and their financing within the overall approved plan;
- z) Making recommendations on the management of UAC's cash and debt exposure / borrowings; and
- aa) Monitoring compliance with applicable laws and regulations.

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The Committee met five (5) times during the 2022 financial year. The following table shows the attendance of committee members at the meetings.

Directors	28/3/2022	26/4/2022	21/6/2022	25/7/2022	26/10/2022
Mr. Bolaji Odunsi	P	P	P	P	P
Mr. Folasope Aiyesimaju	P	P	P	P	P
Mrs. Babafunke Ijaiya-Oladipo	P	P	P	P	P
Mr. Karl Toriola	P	P	P	P	P
Mr. Babatunde Kasali	P	P	AWA	P	NLM
Mr. Khalifa Biobaku	NYM	NYM	P	P	P

Keys:

P – Present

AWA – Absent With Apology

NYM – Not Yet a Member

NLM – No Longer a Member

2. The Governance and Remuneration Committee

As of December 31, 2022, the Governance and Remuneration Committee comprised three (3) members who are Non-executive Directors. Mrs. Suzanne Iroche, an Independent Non-Executive Director of the Company, is the Chair of the Committee. The Group Managing Director 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.
- 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 2022 financial year. The following table shows the attendance of committee members at the meetings.

Directors	29/3/2022	28/4/2022	21/6/2022	27/7/2022
Mrs. Suzanne Iroche	P	P	P	P
Dr. Umaru Alka (retired w.e.f 25/06/2022)	P	P	P	NLM
Mr. Babatunde Kasali (became a member w.e.f. 28/07/2022)	NYM	NYM	NYM	NYM
Mr. Khalifa Biobaku	NYM	NYM	P	P

Key: -

P - Present

NYM - Not Yet a Member

NLM - No Longer A Member

The Statutory Audit Committee

The Statutory Audit Committee consists of five members, made up of three representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year; and two representatives of the Board of Directors nominated by the Board. The 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 (2). Some 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 2022 financial year. The following table shows attendance of members at the meetings.

Members	28/3/2022	27/4/2022	26/7/2022	27/10/2022
Mr. Olabisi Fayombo	P	P	P	P
Mr. Matthew Akinlade	P	P	P	AWA
Mr. Kenneth N Nwosu	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P
Mr. Bolaji Odunsi	P	P	P	AWA

Keys:

AWA - Absent with Apology

P – Present

Terms of Reference of the Statutory Audit Committee

The following are the terms of reference of the Committee:

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

Control Environment

The Board Risk Management Committee reviews the risk environment of the Company at its quarterly meetings and ensures that internal audit, external audit, and risk and compliance recommendations are fully implemented. A Code of Business Conduct is in place to safeguard 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.

Securities Trading Policy

In compliance with the Rules of Nigerian Exchange Limited, the Company has put in place a Securities Trading Policy to guide Employees and Directors of the Company, persons closely connected to them; and all other insiders of the Company, on trading in the securities of the Company. Under the policy, the closed period shall be effective from the end of the financial period in review (quarterly, half-yearly, and full year) or 15 calendar days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price-sensitive information as defined in the Issuer's rules of Nigerian Exchange Limited, or the date of circulation of the agenda and Board papers pertaining to any price-sensitive information, whichever is earlier, except for the declaration of financial results and dividends which shall be treated under Rule 17.18 (a) (i). Closed periods shall end 24 hours after the price-sensitive information is submitted to Nigerian Exchange Limited via its Issuers' Portal. The trading window shall thereupon be open. We hereby confirm that no Director traded in the securities of the Company within any of the closed periods during the 2022 financial year.

Shareholders Complaints Management Policy

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

Tenure of Directors, Professional Advisers and Consultants

Board of Directors

Name	Designation	Years in service
Mr. Daniel Agbor	Non-Executive Chairman	7 years 1 month
Mr. Folasope Aiyesimoju	Group Managing Director	4 years 9 months
Dr. Vitus Ezinwa	Chief Operating Officer	4 years 1 month
Mrs. Babafunke Ijaiya-Oladipo	Group Finance Director	1 year 5 months
Dr. Umaru Alka (retired w.e.f 25/06/2022)	Non-Executive Director	9 years 3 months
Mr. Babatunde Kasali	Non-Executive Director	9 years 9 months
Mr. Bolaji Odunsi	Non-Executive Director	4 years 1 month
Mr. Khalifa Biobaku (appointed w.e.f 29/03/2022)	Non-Executive Director	9 months
Mrs. Suzanne Iroche	Independent Non-Executive Director	3 years 4 months
Mr. Karl Toriola	Independent Non-Executive Director	3 years

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Consultants and Professional Advisers

Name	Services	Tenure
PricewaterhouseCoopers	Internal Audit Service Provider	1 year 4 months (appointed 2021)
KPMG Professional Services	External Auditor	1 year (appointed 2021)
KPMG Professional Services	Whistle Blowing Ethics Lines	7 years (appointed 2015)
DCSL Corporate Services Limited	Corporate Governance and Board evaluation	1 year 9 months (appointed in 2021)
Deloitte	Tax Advisory and Consultancy	2 years (appointed 2020)

Directors' Interest in Shares

Name	Wednesday, March 30, 2022		Wednesday, March 29, 2023	
	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Daniel Agbor	Nil	35,000,000	Nil	35,000,000
Mr. Folasope Aiyesimoju	46,338,731	629,882,144	46,999,122	657,069,717
Dr. Vitus Ezinwa	1,485,174	Nil	1,563,800	Nil
Mrs. Babafunke Ijaiya-Oladipo	237,740	Nil	250,326	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. Khalifa Biobaku (appointed w.e.f 29/03/2022)	Nil	152,290,473	Nil	172,693,669
Mr. Karl Toriola	Nil	Nil	Nil	Nil
Dr. Umaru Alka (retired w.e.f 25/06/2022)	8,109	Nil	N/A	N/A

Mr Daniel Agbor's indirect shareholding is held through Oakbrook Investments Limited.
Mr. Folasope Aiyesimoju and Mr. Khalifa Biobaku are directors in Themis Capital and AM&P with a combined holding of 669 million units .
Mr. Biobaku is a director and shareholder of Dalio Property Development Company Limited which owns 172,693,669 shares.

Directors' Interest in Contracts

Mr. Daniel Agbor is the Senior Partner of the law firm Udo Udoma & Belo-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 2022 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 2022 Annual Report.

Claw Back Provisions

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

Regulatory Sanctions and Penalties

UAC of Nigeria PLC did not incur any fine or penalty by any Regulator in the 2022 financial year, and indeed up to the reporting date.

Properties, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in note 15 of the Financial Statements.

Donations

Charitable donations amounted to ₦25.3million (2021: ₦114.5million) for the Group and ₦7.3million (2021: ₦100million) for the Company.

Donations made during the year are listed below:

Company	Description of Donations	State	Amount N'000
UACN	Extension of waterline in Kerang community	Plateau state	3,000
	Renovation of Adeniji-Adele Lagos Health Centre toilets	Lagos state	4,222
	Donations of packs of water to support the Marcelle Ruth Cancer walk	Lagos state	28
Chemical and Allied Products PLC	Painting of Heritage Home	Lagos state	2,069
	Painting of Missionaries of Charity	Lagos state	2,802
Livestock Feeds PLC	Construction of Poultry Pen and Donation of Cages, Poultry Feeds to Government Girls Senior Secondary School Takuwora, Kano.	Kano state	1,414
	Dental Sponsorship for 85 Secondary School Students in Agege in Partnership with Agege General Hospital	Lagos state	250
Grand Cereals Limited	500KVA 33/415A Transformer to our host community (Da Dahwol Chwaha-Sheku)	Plateau state	6,489
UAC Foods Limited	Scholarship granted to 13 Secondary School Students from Dikibin Balka Academy, Dikibi	Plateau state	364
	Scholarship granted to 13 Students from Fomulam Community Secondary School	Plateau state	344
	Scholarship granted to 13 Students from Mwaghavul Community Secondary School	Plateau state	395
	Scholarship granted to 6 Students from Kerang North Community Secondary School	Plateau state	84
	Annual community development fee to Mwaghavul Development Association	Plateau state	1,000
	Reconstruction of host community palace gate	Plateau state	2,362
	Donations of UAC Foods product to host communities	Plateau state	34
UAC Restaurants Limited	Donation of diesel for host community water supply	Plateau state	233
	Donation of refreshment and stationaries to celebrate International Day of Girl Child with 150 students from various secondary schools	Lagos state	235
Total			25,325

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2021: Nil)

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2022

Independent Auditors

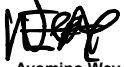
Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the independent auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed. A resolution will however be proposed authorizing the Directors to fix their

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 29th day of March 2023

BY THE ORDER OF THE BOARD



Ayomipo Wey
Company Secretary
FRC/2013/NBA/00000003124

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 financial report for the year ended 31 December 2022 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 us by other officers within those entities during the period in which the reports are being prepared;
 - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report; and
 - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.



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



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

Statement of Directors' Responsibilities in Relation to the Financial Statements

"The Directors are responsible for the preparation of the consolidated and separate financial statements which gives a true and fair view of the financial position of the Group and Company as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Standards as issued by the International Accounting Standard Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011."

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 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 2022 were approved by the Directors on 29 March 2023.

Signed on behalf of the Directors of the Company.



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



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

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2022

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 2022 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/CAN/00000002883

Dated 28th day of March, 2023

Members of the Committee

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

Secretary
Ayomipo Wey

**KPMG Professional Services**

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

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234 (1) 271 8599

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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 2022;
- 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 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

These key audit matters apply to the audit of the consolidated and separate financial statements.

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami	Boluwaji D. Apanpa	Martins I. Arojie	Olutoyin I. Ogunlowo	Williams I. Erimona
Adetola P. Adeyemi	Chibuzor N. Anyanachi	Mohammed M. Adama	Oluwafemi O. Awotoye	
Adeleke K. Ajayi	Chineme B. Nwigbo	Nneka C. Eluma	Oluwatoyin A. Gbagi	
Ajibola O. Olomola	Dunni D. Okegbemila	Ogunlayo I. Ogunbenro	Omolara O. Ogun	
Akinwale O. Alao	Elijah O. Oladunmoye	Olabinpe S. Afolabi	Oseme J. Obalajo	
Akinyemi J. Ashade	Goodluck C. Obi	Oladimeji I. Salaudeen	Termitope A. Onitiri	
Ayobami L. Salami	Ibitomi M. Adepoju	Olanike I. James	Tolulope A. Odukale	
Ayodele A. Soyinka	Ijeoma T. Emezie-Ezigbo	Olufemi A. Babem	Uzochukwu N. Obienu	
Ayodele H. Othihiwa	Kabir O. Okunola	Olumide O. Olayinka	Uzodinma G. Nwankwo	
Bolanle S. Afolabi	Lawrence C. Amadi	Olusegun A. Sowande	Victor U. Onyenkpa	

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>This is a key audit matter because of the size of the balance and the significant judgement required in determining the appropriate valuation methodology to be used and the underlying assumptions to be applied. There are estimation uncertainties associated with the valuation and it is also 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>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of management specialist's valuation methodology, including judgments and assumptions applied in determining the fair value of investment properties by comparing to acceptable industry standards. • We selected a sample of investment properties based on high fair value changes during the year and performed the following procedures: <ul style="list-style-type: none"> - we obtained available comparative price analysis of recent transactions for similar properties in the relevant locations to check the reasonability of the fair market value of the selected sample; - 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; and - we checked whether there are any encumbrances and whether this was considered in the determination of the fair value. • We checked that the classification and disclosures in the financial statements were in accordance with the requirements of IAS 40: <i>Investment Property</i>.

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

<p>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>	<ul style="list-style-type: none"> - we tested compliance with the revenue standard (IFRS 15) including assessment of the appropriateness of the allocation of revenue to multiple performance obligations (where applicable); - We matched sales invoices to related orders and dispatch notes at the transaction level; • We selected a sample of discounts and rebates granted to customers using statistical sampling methods and inspected relevant underlying documentation to assess if they were accurately computed and accounted for in the appropriate financial period; • We performed revenue cut-off procedures by assessing whether revenue transactions occurring both prior to and after the year end date were recognized in the appropriate period; and • We checked the disclosures in the financial statements for compliance with the requirements of IFRS 15: <i>Revenue from Contracts with Customers</i>
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3. Inventories	
Refer to significant accounting policies (Note 2.11) and related disclosures (Note 22) of the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of inventories is significant and amounted to NGN24.3 billion representing 26% of total assets.</p> <p>The Group has inventories at different locations and at different stages of the production process. The inventories are subject to different handling and quantity determination criteria. Additionally, the inventories are subject to obsolescence which requires management judgment to determine.</p> <p>The significance of the balance involved, the complexities inherent in determining the quantities on hand across the various locations and the judgement involved in determining obsolescence allowance make inventories a significant matter in our audit.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of identified controls established within the inventory management process; • We observed year-end physical inventory count exercise and checked the related reconciliation and inventory measurement performed by management; • 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 consistent with our knowledge obtained from our inventory count observation; • We selected a sample of inventories using statistical sampling methods and performed the following procedures:

	<ul style="list-style-type: none"> - we recalculated the inventory costing formula applied by management for appropriateness; - we performed net realisable value tests by comparing the unit cost to the unit selling price less estimated selling expenses ; and • We checked that the disclosures in the financial statements are in compliance with the requirements of IAS 2: <i>Inventories</i>
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Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Investor Relations Statement, Financial Highlights, Directors' Report, Certification pursuant to section 405(1) of the Companies and Allied Matters Act, 2020, Statement of Directors Responsibilities in Relation to the Financial Statements, Report of the Audit Committee 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 identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on Other Legal and Regulatory Requirements

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

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

Signed:

A handwritten signature in blue ink, appearing to read 'Mohammed Adama'.

Mohammed Adama, FCA

FRC/2012/ICAN/00000000432

For: KPMG Professional Services

Chartered Accountants

31 March 2023

Lagos, Nigeria



UAC of Nigeria PLC
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022

		The Group		The Company	
	Notes	31 Dec 22 N'000	31 Dec 21 N'000	31 Dec 22 N' 000	31 Dec 21 N' 000
Continuing operations					
Revenue	5	109,270,399	101,376,839	1,008,941	877,457
Cost of sales	8	(95,033,006)	(83,837,291)	-	-
Gross profit		14,237,393	17,539,548	1,008,941	877,457
Dividend income	6	9,250	260,093	838,386	1,561,023
Other operating income	7i	742,837	2,076,149	878,156	1,586,784
(Impairment loss)/writeback on financial assets	7ii	(60,956)	(15,950)	(31,132)	26,083
Selling and distribution expenses	8	(8,506,977)	(6,345,986)	-	-
Administrative expenses	8	(8,805,473)	(8,499,938)	(2,252,664)	(2,570,305)
Operating (loss)/profit		(2,383,926)	5,013,916	441,687	1,481,042
Finance income	9	1,447,869	1,557,919	943,648	1,098,260
Finance costs	9	(3,532,703)	(1,568,026)	(654,627)	(92,056)
Net finance (cost)/ income		(2,084,834)	(10,107)	289,021	1,006,204
Share of profit/(loss) from associates using the equity method	18	103,444	(895,436)	-	-
(Loss)/profit before minimum tax		(4,365,316)	4,108,373	730,708	2,487,246
Minimum tax	10	(456,730)	(78,721)	-	-
(Loss)/profit after minimum tax		(4,822,046)	4,029,652	730,708	2,487,246
Income tax credit/(expense)	10	822,543	(1,440,493)	(48,880)	(142,622)
(Loss)/profit after tax for the year from continuing operations		(3,999,503)	2,589,159	681,828	2,344,624
Discontinued operations					
Profit/(loss) after tax for the year from discontinued operations	37(c)	6,508	(2,105)	-	-
(Loss)/Profit for the year		(3,992,995)	2,587,054	681,828	2,344,624
Other comprehensive income/(loss):					
<i>Items not to be subsequently recycled to profit or loss</i>					
Net changes in fair value of financial assets net of tax	17	(65,137)	36,000	(65,137)	36,000
Share of other comprehensive loss of associate using the equity method		(82,893)	(60,026)	-	-
Other comprehensive (loss)/income for the year net of tax		(148,030)	(24,026)	(65,137)	36,000
Total comprehensive (loss)/income for the year net of tax		(4,141,025)	2,563,028	616,691	2,380,624
(Loss)/profit attributable to:					
Equity holders of the parent		(3,078,922)	1,806,907	681,828	2,344,624
Non controlling interests		(914,073)	780,147	-	-
		(3,992,995)	2,587,054	681,828	2,344,624
Total comprehensive (loss)/income attributable to:					
Equity holders of the parent		(3,226,952)	1,782,881	616,691	2,380,624
Non controlling interests		(914,073)	780,147	-	-
		(4,141,025)	2,563,028	616,691	2,380,624
Earnings per share attributable to owners of the parent during the year (expressed in Naira per share):					
Basic earnings/(loss) per share					
From continuing operations	12	(107)	62	24	81
From discontinued operations	12	-	-	-	-
From (loss)/profit for the year (Kobo)		(107)	62	24	81
Diluted earnings/(loss) per share					
From continuing operations	12	(107)	62	24	81
From discontinued operations	12	-	-	-	-
From (loss)/profit for the year (Kobo)		(107)	62	24	81


The accompanying notes form an integral part of these consolidated and separate financial statements.

UAC of Nigeria PLC

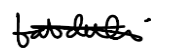
Consolidated and Separate Statements of Financial Position
as at 31 December 2022

		The Group		The Company	
	Notes	31 Dec 22 N° 000	31 Dec 21 N° 000	31 Dec 22 N° 000	31 Dec 21 N° 000
Assets					
Non-current assets					
Property, plant and equipment	13	25,043,411	22,223,664	863,537	932,783
Intangible assets and goodwill	14	3,626,747	1,519,649	55,008	6,889
Investment property	15	2,435,360	3,470,685	2,435,360	3,470,685
Investments in subsidiaries	16	-	-	19,037,359	18,535,951
Equity instruments at fair value through other comprehensive income	17	514,965	449,975	514,965	449,975
Investments in associates	18	8,511,997	8,491,446	5,314,507	5,314,507
Debt instruments at amortised cost	19	2,232,103	2,468,868	2,232,103	2,468,868
Right of use assets	21	1,471,771	717,894	-	-
Trade and other receivables	23	2,146,876	2,676,292	3,260,498	3,205,242
Finance lease receivables	23.1	10,372	10,372	-	-
Total non-current assets		45,993,602	42,028,845	33,713,337	34,384,900
Current assets					
Inventories	22	24,396,400	36,213,523	-	-
Trade and other receivables	23	6,693,502	8,722,956	1,949,867	2,249,427
Finance lease receivables	23.1	600	3,300	-	-
Cash and cash equivalents	24	16,196,969	11,409,946	4,957,606	4,303,878
Refund assets	20	4,683	3,328	-	-
Total current assets		47,292,154	56,353,053	6,907,473	6,553,305
Non-current assets held for sale	37(a)	541,850	545,993	-	130,000
Assets of disposal group classified as held for sale	37(c)	-	3,865	-	-
Total assets		93,827,606	98,931,756	40,620,810	41,068,205
Equity and Liabilities					
Ordinary share capital	33	1,463,065	1,440,648	1,463,065	1,440,648
Share premium		14,647,616	14,174,606	15,085,191	14,612,181
Contingency reserve		-	69,571	-	-
Fair value reserve		67,815	215,845	139,274	204,411
Equity settled share based payment reserve		342,870	98,931	342,870	98,931
Other reserve		91,923	91,923	-	-
Retained earnings		25,350,422	29,889,951	14,256,274	15,448,875
Equity attributable to equity holders of the Company		41,963,711	45,981,475	31,286,674	31,805,046
Non controlling interests		3,316,500	4,856,831	-	-
Total equity		45,280,211	50,838,306	31,286,674	31,805,046
Liabilities					
Non-current liabilities					
Borrowings	25	2,467,290	339,723	-	-
Lease liability	21	569,940	271,009	-	-
Deferred tax liabilities	26	2,708,129	4,649,022	315,251	455,987
Government grants	28	132,052	-	-	-
Employee benefits	32	68,122	72,296	-	-
Provisions	31	34,080	16,643	-	-
Total non-current liabilities		5,979,613	5,348,693	315,251	455,987
Current liabilities					
Trade and other payables	27	13,352,000	11,347,484	1,628,706	1,438,876
Contract liabilities	29	2,311,875	2,425,294	50,635	95,562
Current income tax liabilities	10	3,997,168	3,726,695	2,522,118	2,490,527
Current portion of borrowings	25	16,537,153	19,571,889	-	-
Dividend payable	30	5,451,070	5,193,036	4,813,878	4,692,259
Government grants	28	92,167	-	-	-
Lease liability	21	789,007	341,627	-	-
Provisions	31	32,418	92,948	3,548	89,948
Refund liabilities	20	4,924	3,690	-	-
Total current liabilities		42,567,782	42,702,663	9,018,885	8,807,172
Liabilities of disposal group classified as held for sale/distribution to owners	37(c)	-	42,094	-	-
Total liabilities		48,547,395	48,093,450	9,334,136	9,263,159
Total equity and liabilities		93,827,606	98,931,756	40,620,810	41,068,205

The consolidated and separate financial statements and the notes on pages 25 to 88 were approved and authorised for issue by the board of directors on 29 March 2023 and were signed on its behalf by:


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


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


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

The accompanying notes form an integral part of these consolidated and separate financial statements

UAC of Nigeria PLC

Audited Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

The Group										
Attributable to owners of the Company										
Notes	Share	Share	Contingency	Fair value	Other	Equity Settled	Retained	Non controlling		
	Capital	Premium	Reserve	Reserve	Reserve	Share-based Payment	Earnings	Total	Interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total equity at 1 January 2022	1,440,648	14,174,606	69,571	215,845	91,923	98,931	29,889,951	45,981,475	4,856,831	50,838,306
Loss for the year	-	-	-	-	-	-	(3,078,922)	(3,078,922)	(914,073)	(3,992,995)
Other comprehensive (loss)/income	-	-	-	(148,030)	-	-	-	(148,030)	-	(148,030)
Net changes in equity settled share-based payment	-	-	-	-	-	243,939	-	243,939	-	243,939
Transaction with Equity holders										
Scrip issue subscription by owners of parent	22,417	473,010	-	-	-	-	-	495,427	-	495,427
Scrip issue subscription by non controlling interest	-	-	-	-	-	-	-	-	16,431	16,431
Payment to non controlling interest by UNICO	-	-	-	-	-	-	-	-	(16,962)	(16,962)
Dividend declared	30	-	-	-	-	-	(1,872,843)	(1,872,843)	(536,687)	(2,409,530)
Scrip dividend issue cost	-	-	-	-	-	-	(1,586)	(1,586)	-	(1,586)
Changes in NCI due to scrip issue by CAP	16(a)	-	-	-	-	-	63,490	63,490	(63,490)	-
Write back of statute barred dividend	-	-	-	-	-	-	280,759	280,759	-	280,759
Deconsolidation of UNICO	-	-	(69,571)	-	-	-	69,571	-	(25,550)	(25,550)
Balance at 31 December 2022	1,463,065	14,647,616	-	67,815	91,923	342,870	25,350,422	41,963,711	3,316,500	45,280,211
Total equity at 1 January 2021	1,440,648	18,071,545	69,571	239,872	91,923	-	32,092,148	52,005,707	8,669,797	60,675,504
Profit for the year	-	-	-	-	-	-	1,806,907	1,806,907	780,147	2,587,054
Other comprehensive (loss)/income	-	-	-	(24,026)	-	-	-	(24,026)	-	(24,026)
Acquisition of shareholdings in subsidiary	-	-	-	-	-	-	(61,548)	(61,548)	(3,893,625)	(3,955,173)
Net changes in equity settled share-based payment	33	-	-	-	-	98,931	-	98,931	-	98,931
Dividend declared	-	-	-	-	-	-	(3,457,556)	(3,457,556)	(930,727)	(4,388,283)
Unbundling of UPDC REIT units	-	(3,896,939)	-	-	-	-	-	(3,896,939)	-	(3,896,939)
Share issue cost	-	-	-	-	-	-	(3,096)	(3,096)	(2,380)	(5,476)
Change in NCI due to CAP/PPNP merger	-	-	-	-	-	-	(486,904)	(486,904)	233,619	(253,285)
Total equity as at 31 December 2021	1,440,648	14,174,606	69,571	215,845	91,923	98,931	29,889,951	45,981,475	4,856,831	50,838,306

UAC of Nigeria PLC
Audited Separate Statement of Changes in Equity
for the year ended 31 December 2022

		The Company					
		Attributable to owners of the Company					
		Share Capital N'000	Share Premium N'000	Fair value reserve N'000	Equity Settled Share-based Payment reserve N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2022		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047
Profit for the year		-	-	-		681,828	681,828
Other comprehensive (loss)/income				(65,137)		-	(65,137)
Net changes in equity settled share-based payment				-	243,939		243,939
Transactions with Equity holders							
Scrip dividend issued	30	22,417	473,010	-		(495,427)	-
Dividend declared		-	-	-		(1,377,415)	(1,377,415)
Scrip dividend issue cost						(1,586)	(1,586)
Balance at 31 December 2022		1,463,065	15,085,191	139,274	342,870	14,256,275	31,286,675
Balance at 1 January 2021		1,440,648	18,509,120	168,412		16,561,809	36,679,989
Profit for the year		-	-	-		2,344,624	2,344,624
Other comprehensive income/(loss)	17	-	-	36,000		-	36,000
Transactions with Equity holders							
Share based benefit					98,931		98,931
Unbundling of UPDC REIT units			(3,896,939)				(3,896,939)
Dividends declared	30	-	-	-		(3,457,556)	(3,457,556)
Balance at 31 December 2022		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047

The accompanying notes form an integral part of these consolidated and separate financial statements.

UAC of Nigeria PLC
Audited Separate Statement of Changes in Equity
for the year ended 31 December 2022

		The Company					
		Attributable to owners of the Company					
		Share Capital N'000	Share Premium N'000	Fair value reserve N'000	Equity Settled Share-based Payment reserve N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2022		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047
Profit for the year		-	-	-		681,828	681,828
Other comprehensive (loss)/income				(65,137)		-	(65,137)
Net changes in equity settled share-based payment				-	243,939		243,939
Transactions with Equity holders							
Scrip dividend issued	30	22,417	473,010	-		(495,427)	-
Dividend declared		-	-	-		(1,377,415)	(1,377,415)
Scrip dividend issue cost						(1,586)	(1,586)
Balance at 31 December 2022		1,463,065	15,085,191	139,274	342,870	14,256,275	31,286,675
Balance at 1 January 2021		1,440,648	18,509,120	168,412		16,561,809	36,679,989
Profit for the year		-	-	-		2,344,624	2,344,624
Other comprehensive income/(loss)	17	-	-	36,000		-	36,000
Transactions with Equity holders							
Share based benefit					98,931		98,931
Unbundling of UPDC REIT units			(3,896,939)				(3,896,939)
Dividends declared	30	-	-	-		(3,457,556)	(3,457,556)
Balance at 31 December 2022		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047

The accompanying notes form an integral part of these consolidated and separate financial statements.

UAC of Nigeria PLC
**Consolidated and Separate Statements of Cash Flows
for the year ended 31 December 2022**

		The Group		The Company	
	Notes	31 Dec 22 N' 000	31 Dec 21 N'000	31 Dec 22 N' 000	31 Dec 21 N' 000
Cash flows from operating activities					
Cash generated from/(used in) operations	34	17,747,219	(14,246,948)	558,116	(5,140,830)
Corporate tax paid	10	(1,116,235)	(1,278,099)	(47,016)	(1,978)
Net cash flows generated from/(used in) operating activities		16,630,984	(15,525,047)	511,100	(5,142,808)
Cash flows from investing activities					
Purchase of intangible assets	14	(1,845,519)	(145,768)	-	-
Purchase of property, plant and equipment	13	(5,981,189)	(3,466,328)	(159,885)	(215,376)
Proceeds from sale of property, plant and equipment		86,801	64,427	15,478	595
Proceeds from disposal of investment properties		687,000	-	687,000	-
Proceeds on disposal of non-current asset held for sale		-	166,842	-	-
Purchase of equity instrument at fair value through other comprehensive income	17	(137,862)	(221,850)	(137,862)	(221,850)
Purchase of UPDC REIT units for unbundling to shareholders	37(b)	-	(554)	-	(554)
Refund from investment measured at fair value through other comprehensive income	13	497	-	497	-
Inflow from liquidation of subsidiary		-	-	(110,188)	-
Net cash lost on deconsolidation of subsidiary	37(c)	(67,817)	-	-	-
Lease prepayment		(246,510)	(25,825)	-	-
Investment in debt securities	19	(297,359)	(1,884,979)	(297,359)	(1,884,979)
Proceeds from maturity of debt instruments		585,028	1,984,273	585,028	1,984,273
Dividend received	6(a)	8,325	258,631	253,139	1,429,467
Interest received		1,125,465	1,132,429	936,572	929,030
Share issue expenses		-	(5,476)	-	-
Acquisition of additional interest in subsidiaries		-	-	-	(3,920,000)
Net cash flows (used in)/generated from investing activities		(6,083,140)	(2,144,178)	1,772,420	(1,899,394)
Cash flows from financing activities					
Dividends paid to non-controlling interests	30	(520,159)	(936,328)	-	-
Dividends paid to Company shareholders	30	(1,377,415)	(3,457,556)	(1,377,415)	(3,457,556)
Proceeds from borrowings	25	102,588,434	46,108,128	19,144,705	-
Unclaimed dividend returned by/(refunded to) the registrar	30	282,377	(132,985)	121,620	(3,817)
Scrip dividend issue cost		(1,586)	-	(1,586)	-
Repayment of borrowings	25	(104,083,120)	(30,957,284)	(19,144,705)	-
Interest paid on loans	25	(2,185,137)	(1,099,038)	(592,934)	-
Repayment of lease liability	21	(447,399)	(539,009)	-	-
Payment to non-controlling interest by UNICO		(16,962)	-	-	-
Acquisition of additional interest in subsidiaries		-	(4,208,458)	-	-
Net cash flows (used in)/generated from financing activities		(5,760,967)	4,777,470	(1,850,315)	(3,461,373)
Cash & cash equivalents at the beginning of the year		11,410,811	24,302,566	4,304,744	14,808,319
Net increase/(decrease) in cash & cash equivalents		4,786,877	(12,891,755)	433,205	(10,503,575)
Cash & cash equivalents at the end of the year	24	16,197,688	11,410,811	4,737,949	4,304,744

The accompanying notes form an integral part of these consolidated and separate financial statements.

UAC of Nigeria PLC
Notes to the consolidated and separate financial statements
for the year ended 31 December 2022

1 Corporate Information

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).

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 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 29th March 2023.

2 Summary of significant accounting policies

2.1 Basis of preparation

These consolidated and separate financial statements of UAC of Nigeria PLC have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020, and the Financial Reporting Council of Nigeria Act, 2011.

Basis of measurement

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the following:

S/No	Item	Basis of measurement
1	Investment properties	Fair value
2	Equity financial assets	Fair value
3	Other financial assets and liabilities	See note 2.9
4	Inventories	Lower of cost and net realisable value
5	Assets held for sale	Lower of cost and fair value less cost to sell
6	Long term provisions	Present value of the expenditures required to settle the obligation
7	Lease liabilities	Present value of unpaid lease payments
8	Long term employee benefits	Actuarial methods (discounted at present value)
9	Equity settled share based payment expenses	Fair value at the grant date

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

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

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

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

2.2 Changes in accounting policies and disclosures

a New and amended standards and interpretations adopted by the Group

In the current year, the Group has adopted a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on 1 January 2022. The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(i) Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. In addition, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events; and for a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

(ii) Amendments to IAS 16 Property, Plant and Equipment - Proceeds before intended use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. 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.

(iii) Amendments to IAS 37 Onerous Contracts - Cost of fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. 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).

(iv) Annual Improvements to IFRS Standards 2018-2020

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards

(a) 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 Accounting 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).

(b) 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.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

b New standard, amendments and interpretations not yet effective

A number of new standards are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted; however, the Group and Company has not early adopted the new or amended standards in preparing this consolidated and separate financial statements. Their adoption are not expected to have any material impact on the disclosures or on the amounts reported in these financial statements.

(i) 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 IASB; 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.

The IASB has decided to defer the effective period of the amendments indefinitely.

(ii) Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

(iii) 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 IASB 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.

(iv) 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 IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- 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 IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB 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.

(v) 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 IASB 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:

(vi) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

(vii) Amendments to IAS 1 Non-current liabilities with covenants

In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability so that:

- a. It specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying a liability as current or non-current; and
- b. for non-current liabilities subject to conditions, an entity is required to disclose information about:
 - i. the conditions (for example, the nature of and date by which the entity must comply with the condition);
 - ii. whether the entity would comply with the conditions based on its circumstances at the reporting date; and
 - iii. whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested.

ISAB tentatively decided to amend IAS 1 to require that an entity present separately in its statement of financial position 'non-current liabilities subject to conditions in the next 12 months'. This line item would include liabilities classified as non-current for which the right to defer settlement for at least 12 months is subject to the entity complying with conditions after the reporting date.

The amendments are effective for reporting periods beginning on or after January 1, 2024.

(viii) Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The IFRS Interpretations Committee received a submission about IFRS 16 Leases and a sale and leaseback transaction with variable payments that do not depend on an index or rate and came to the conclusion (and the IASB agreed) that it would be beneficial to amend IFRS 16 to specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in the sale and leaseback transaction. The following are key points to note with regards to the Amendments:

Exception to the general requirements of determination of 'lease payments':

Lease payments as defined in IFRS 16 comprise the following:

- i. fixed payments (including in-substance fixed payments), less any lease incentive;
- ii. variable lease payments that depend on an index or a rate;
- iii. the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- iv. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are not included in the definition of lease payments and these payments are not included in the measurement of lease liabilities.

The amendments are effective for reporting periods beginning on or after January 1, 2024.

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. Financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies.

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.

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 Committee of the Company.

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

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

2.5 Foreign currency translation

a Functional and presentation currency

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

b Transactions and balances

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

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

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

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

2.6 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

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

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

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

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

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

Leasehold 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).

2.6.1 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

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.

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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.

Cash and cash equivalents

The Group and Company considers all highly liquid unrestricted investments with less than 90 days 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.

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.

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b Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at

amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortised cost

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

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

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

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

Borrowings

Interest-bearing bank loans and overdrafts are initially recognised at fair value, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis through profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Borrowing costs

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

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

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

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

Trade and other payables

Trade and other payables (excluding statutory deductions such as non-income taxes in respect of WHT, VAT and PAYE) are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

Derecognition of financial liabilities

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

Offsetting

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

2.10 Impairment of non-financial assets

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

Disclosures for significant assumptions (Note 4)

Property, plant and equipment (Note 13)

Intangible assets (Note 14)

Goodwill (Note 14)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists,

or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

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

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

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

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

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

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

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

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

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

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

2.11 Inventories

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

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

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

2.12 Prepayments

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

2.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

Contingent liabilities

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.

Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the Project. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

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.

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Fair value reserve

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

Contingency reserves

The contingency reserve represents the transfer to statutory reserve of 12.5% of the profit after tax of UNICO CPFA Limited in line with section 69 of the Pension Reform Act 2004 (2014 as amended).

Other reserves

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

Retained earnings

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

2.15 Taxes

Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax.

The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is

- Company income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting ALL expenses and taxes from revenue earned by the Group during the Year).

Total amount of tax payable under Companies Income Tax Act (CITA) is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year). Taxes based on profit for the period are treated as income tax in line with IAS 12.

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

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.

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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.

Minimum tax expense

The Group is subject to the Finance Act, 2019 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2019 is determined based on the higher of two components: Company Income Tax (based on taxable profit (or loss) for the year); and Minimum tax (determined based on 0.5% of qualifying Group's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the Statement of financial position.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax expense.

Statutory deductions

Value added tax (VAT)

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

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

The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.16 Employee benefits

(a) Defined Contribution schemes

The Group has two defined contribution plans for its employees;

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

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

(i) Statutory pension Scheme

The Pensions Reform Act of 2014 requires all companies and employees to pay a minimum of 10% and 8% respectively of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees to a pension fund administrator. fund.

The Employer contributions (10%) are recognised as employee benefit expenses when they are due, while the employees' contributions are funded through payroll deductions. 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.

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

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

(c) Long service awards scheme

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

(d) Termination benefits

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

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

(e) Share based payment scheme

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

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

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

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

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

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

2.17 Revenue recognition

Revenue from contracts with customers

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

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

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

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

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

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

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

Sale of paints

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

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

The Group normally transfers the products to customers' premises as part of the sales incentive which is a logistics discount. The logistic

discount which is the transport cost paid on behalf of the customer is recognised as a reduction to revenue for the related goods.

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

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

Sale of food and beverages

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

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

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

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

Sale from restaurant

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

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

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

Sale of animal feeds and concentrates

Contract for the sale of animal feeds and concentrates begins when goods have been delivered to the customer and revenue is recognised

at the point in time when control of the goods has been transferred to the customer, generally on delivery of the goods.

The normal credit term is 90 days upon delivery.

Commercial service fees

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

Commercial service fees (Contd.)

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

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

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

Rendering of services based on Franchise agreement

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

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

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

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

Significant financing component

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

Variable consideration

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

Rights of return

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

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

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

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

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

Assets and liabilities arising from rights of return

• Refund assets

Refund assets represent the Group's right to recover the goods expected to be returned by customers.

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

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

• Refund liabilities

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

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Customer usage

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

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

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

Application of paint

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

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

Volume incentives and logistics discounts

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

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

Consideration payable to the customer

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

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

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

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

Non-refundable upfront fees

In certain circumstances, the Group may receive payments from customers before they provide the contracted service or deliver a good.

The up-front fees relates to an activity that the Group is required to undertake in order to fulfil the contract which results in the transfer of a promised good or service to the customer. The non-refundable up-front fees are paid at or near contract inception – e.g. set-up fees for project integration, required scheme testing, training or other payments made at contract inception.

The Group considers the upfront fee to be part of the consideration allocable to the goods or services in the contract and would be recognised when (or as) the good or service to which the consideration was allocated is transferred to the customer. Since the set-up activities satisfy a performance obligation, the Group recognises the related costs when measuring progress.

When the Group receives consideration that is attributable to a customer's unexercised rights, the Group will recognise contract liability equal to the amount prepaid by the customer for the performance obligation to transfer, or to stand ready to transfer, goods or services in the future. Revenue would be recognised when the entity satisfies its performance obligation.

Principal vs Agent consideration

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.9 Financial instruments – initial recognition and subsequent measurement.

Significant accounting judgements, estimates and assumptions on IFRS 15

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of application of paints

The Group concluded that revenue for application of paint is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring progress of the application of paint services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

Determining the timing of satisfaction of sales of paint

The Group concluded that revenue for sales of paint is to be recognised as a point in time; when the customer obtains control of the paint. The Group assesses when control is transferred using the indicators below:

- The Group has a present right to payment for the paint;
- The customer has legal title to the paint;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the paint; and
- The customer has accepted the asset.

Determining the timing of satisfaction of sales of food and beverages

The Group concluded that revenue for sales of foods and beverages is to be recognised as a point in time; when the customer obtains control of the goods. The Group assesses when control is transferred using the indicators below:

- The Group has a present right to payment for the goods;
- The customer has legal title to the goods;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the goods.

Determining the timing of satisfaction of sales of feeds and concentrates

The Group concluded that revenue for sales of feeds and concentrates is to be recognised as a point in time; when the customer obtains control of the goods. The Group assess when control is transferred using the indicators below:

- The Group has a present right to payment for the goods;
- The customer has legal title to the goods;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the goods.

Determining the timing of satisfaction of commercial services to related party.

The Group concluded that revenue from commercial services rendered to related parties will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the output method is the best method for measuring progress of rendering the services to the customer. The output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

Determining the timing of satisfaction of management services on lease agreements

The Group concluded that revenue from management services on lease agreements will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the input method will effectively capture UACN's efforts to render the services. Such efforts include cost incurred to render the services.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of paint include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of paint with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of paint with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Company

(i) Commercial service 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) Rental income

This represents revenue earned from the consideration received/receivables from rental properties.

(iii) Dividend income

Dividend income is recognised once the right to receive payment has been established, which is generally when shareholders approve the dividend.

(iv) Other income

Any additional income earned by the company that does not fall into the category of a commercial service fee, rental income, finance income or dividend income is recognised as other income.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.19

Lease

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

Group as a lessee

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

i) Right-of-use assets

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The

Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) Lease liabilities

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

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

Group as a lessor

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

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2.20 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.

2.21 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.

2.22 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities at each reporting date. Equity instruments measured at fair value through other comprehensive income are also measured at fair values 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 2022				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt securities (Net)	-	2,232,103	-	-	2,232,103
Trade receivables (Net)	1,485,726	76,148	-	-	1,561,873
Other receivables (Net)	2,250,718	-	-	-	2,250,718
Cash and short-term deposits (Net)	11,690,602	4,434,687	71,414	266	16,196,969
	15,427,046	6,742,938	71,414	266	22,241,663
Financial liabilities					
Long term borrowings	2,467,290	-	-	-	2,467,290
Short term borrowings	16,537,153	-	-	-	16,537,153
Trade payables	6,454,892	6,461	-	18,245	6,479,598
	25,459,335	6,461	-	18,245	25,484,041

GROUP

	31 December 2021				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt securities (Net)	-	2,296,986	-	-	2,296,986
Trade receivables (Net)	969,915	133,780	-	-	1,103,695
Other receivables (Net)	2,706,101	-	-	-	2,706,101
Cash and short-term deposits	8,920,427	2,447,490	41,860	169	11,409,945
	12,596,443	4,878,256	41,860	169	17,516,727
Financial liabilities					
Long term borrowings	339,723	-	-	-	339,723
Short term borrowings	19,570,826	996	68	-	19,571,890
Trade payables	3,185,881	38	-	2,635,294	5,821,213
	23,096,430	1,034	68	2,635,294	25,732,826

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Financial risk factors continued

	GROUP 31-Dec-22 N'000	31-Dec-21 N'000
The total impact on profit if Naira was to depreciate by 10%/(2021: 5%) across currencies would be as follows:	680,816	262,226
The total impact on profit if Naira was to appreciate by 10%/(2021: 5%) across currencies would be as follows:	(680,816)	(262,226)

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 2022				
	Naira N'000	USD N'000	GBP N'000	Others N'000	Total N'000
Financial assets					
Debt at amortised cost		2,232,103	-	-	2,232,103
Cash and short-term deposits	4,031,056	924,544	2,006	-	4,957,606
Intercompany receivables	4,568,177				4,568,177
	8,599,233	3,156,647	2,006	-	11,757,886

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

	COMPANY 31-Dec-22 N'000	31-Dec-21 N'000
The total impact on profit if Naira was to depreciate by 10%/(2021: 5%) across currencies would be as follows:	315,219	251,873
The total impact on profit if Naira was to appreciate by 10%/(2021: 5%) across currencies would be as follows:	(315,219)	(251,873)

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 +/-N41million (2021: +/- N22.813million).

(iii) Commodity Price Risk

The Group is exposed to the commodity price risk of grains (maize, soya beans and wheat) due to seasonal trends and the availability of harvest produce. The Group does not hedge this risk. There are operational controls in place to monitor qualities and to ensure that adequate quantities are procured and stored in silos and warehouses in the harvest seasons for the gradual milling during the year. In case of local crop failure resulting in shortages, importation is undertaken. Sensitivity to commodity price is immaterial

(iv) Interest rate risk

The group's interest rate risk arises from short term borrowings (2021: short 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-22 N'000	31-Dec-21 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:	802,067	874,434
The total impact on profit or loss and equity if interest rates were to increase by 500 basis points would be as follows:	(802,067)	(874,434)

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(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	<90 days	90–180 days	180–360 days	>360 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000
31-Dec-22						
Expected credit loss rate	8.58%	28.74%	47.86%	63.29%	100.00%	
Estimated total gross						
Carrying amount at default	1,530,101	123,041	65,642	112,124	435,869	2,266,776
Expected credit loss	131,294	35,363	31,418	70,960	435,869	704,904
31-Dec-21						
Expected credit loss rate	10.13%	23.39%	75.35%	69.13%	98.23%	
Estimated total gross						
Carrying amount at default	839,715	408,702	40,153	57,118	474,142	1,819,830
Expected credit loss	85,056	95,575	30,256	39,488	465,762	716,136

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

In thousands of Naira	2022	2021
Balance as at 1 January	761,146	1,191,031
Allowance for receivables impairment	116,263	100,628
Amount written off	(172,505)	(530,513)
Balance at 31 December	704,904	761,146

Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for short-term deposits and other receivables. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

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The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in the Summary of significant accounting policies and in Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Nigeria Bureau of Statistics, Trading economics.com, Standards and Poor's and IMF.) and units verify the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2022 and 31 December 2021.

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

Key drivers	Assigned Probabilities	ECL Scenario	31-Dec-22		Group/Company
			2022	2023	2024
Oil Price	11%	Upturn	88	101	101
	80%	Base	87	100	100
	9%	Downturn	75	88	88
Unemployment rate %	11%	Upturn	36	42	40
	80%	Base	40	45	43
	9%	Downturn	42	47	45
Inflation rate %	11%	Upturn	19	13	10
	80%	Base	20	15	12
	9%	Downturn	27	22	19

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

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

31-Dec-22	Short-term deposits	Group Debt instrument at amortised cost (Note 19)	Impairment on associates	Total	Short-term deposits	Intercompany & related party receivables	Company Debt instrument at amortised cost (Note 19)	Impairment on associates	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Upside (11%)	79	496	603	1,178	79	350	496	603	1,528
Base (80%)	575	3,610	4,388	8,573	575	2,549	3,610	4,388	11,122
Downturn (9%)	65	406	494	965	65	287	406	494	1,252
Total	719	4,512	5,485	10,716	719	3,186	4,512	5,485	13,902

31-Dec-21	Short-term deposits	Group Debt instrument at amortised cost (Note 19)	Impairment on associates	Total	Short-term deposits	Intercompany receivables	Company Debt instrument at amortised cost (Note 19)	Impairment on associates	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Upside (10%)	87	732	1,663	2,482	87	2,062	732	1,663	4,544
Base (80%)	701	5,926	13,306	19,933	701	16,701	5,926	13,306	36,634
Downturn (10%)	78	658	1,663	2,399	78	1,855	658	1,663	4,254
Total	866	7,316	16,632	24,814	866	20,618	7,316	16,632	45,432

(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 2022	GROUP						Total
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years		
Borrowings	735,110	5,470,997	10,331,045	2,467,293	-		19,004,445
Lease liabilities	-	22,534	822,746	513,525	45,725		1,404,530
Trade and other payables*	2,079,366	5,409,007	4,987,645	-	-		12,476,018
Dividend payable	5,451,070	-	-	-	-		5,451,070
	8,265,546	10,902,538	16,141,436	2,980,818	45,725		38,336,064

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
	8,019,606	11,748,292	16,282,409	571,748	73,136		36,695,190

At 31 December 2022	COMPANY						Total
	On demand	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years		
Dividend payable	4,813,878	-	-	-	-		4,813,878
Other payables*	-	1,141,016	-	-	-		1,141,016
	4,813,878	1,141,016	-	-	-		5,954,894
At 31 December 2021							
Dividend payable	4,692,259	-	-	-	-		4,692,259
Other payables*	-	970,810	-	-	-		970,810
	4,692,259	970,810	-	-	-		5,663,069

*This excludes all statutory payments.

The Company does not have any exposure to borrowings, lease liabilities, and trade payables

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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-22	31-Dec-21
Interest bearing debt	19,004,443	19,911,612
Total equity	45,280,211	50,838,306
Total capital	64,284,654	70,749,918

Gearing ratio (%)	42	39
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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.

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 2022.

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

N2,108 - N67,415,730

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 2022 was assessed to be insignificant.

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

	31-Dec-22		31-Dec-21	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Equity held at fair value through OCI	514,965	514,965	449,975	449,975
	514,965	514,965	449,975	449,975
Liabilities				
Bank overdrafts and current portion of borrowings	2,467,290	2,467,290	339,723	339,723
Long term borrowings	16,537,153	16,537,153	19,571,889	19,571,889
	19,004,443	19,004,443	19,911,612	19,911,612
				-

4 Significant judgements, estimates and assumptions

4.1 Significant judgements, estimates and sources of estimation uncertainty

The preparation of the Group and Company's consolidated and separate 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) Deferred tax asset

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 factors that might affect the business 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 considered the non current assets held for sale to meet the criteria to be classified as held for sale at the reporting date for the following reasons:

- The assets are available for immediate sale and can be sold to the buyer in their current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification
- Management is still committed to the plan to dispose of the assets

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.

Others - This is a non-reportable segment made up of the corporate head office.

The following measures are reviewed by Exco; with **Profit Before Tax** taken as the segment profit.

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

	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
31 December 2022	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contracts with customers	65,939,433	19,208,470	23,341,030	3,075,255	781,349	112,345,537
Rental income	-	-	-	-	227,592	227,592
Total Revenue	65,939,433	19,208,470	23,341,030	3,075,255	1,008,941	112,573,129
Intergroup revenue	(2,482,456)	(616)	(107,313)	-	(712,345)	(3,302,730)
Revenue to third parties	63,456,977	19,207,854	23,233,717	3,075,255	296,596	109,270,399
Operating (loss)/profit	(4,389,330)	3,096,000	(60,940)	(607,840)	(421,816)	(2,383,926)
(Loss)/profit before tax	(6,862,801)	3,444,212	(143,870)	(813,723)	10,866	(4,365,316)
Loss after tax for the year from discontinued operations	-	-	-	-	6,508	6,508
Property, plant and equipment	12,147,385	2,140,908	8,666,213	1,238,548	850,357	25,043,411
Net assets/(liabilities)	12,358,080	6,599,602	8,238,073	(986,126)	19,070,582	45,280,211

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	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
31 December 2021	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contract with customers	62,711,052	15,354,726	23,750,689	2,208,183	648,951	104,673,601
Rental income	-	-	-	-	228,506	228,506
Total Revenue	62,711,052	15,354,726	23,750,689	2,208,183	877,457	104,902,107
Intergroup revenue	(2,759,561)	(6,137)	(116,634)	-	(642,937)	(3,525,268)
Revenue to third parties	59,951,491	15,348,589	23,634,055	2,208,183	234,520	101,376,839
Operating profit/(loss)	2,540,586	1,439,969	1,393,135	(525,234)	165,460	5,013,916
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/(liabilities)	18,075,020	4,409,774	8,410,077	(156,548)	20,099,983	50,838,306

Entity wide information

Analysis of revenue by category:	31 Dec 22 N'000	31 Dec 21 N'000
Revenue from contracts with customers	109,054,411	101,158,012
Rental income	215,988	218,827
	109,270,399	101,376,839
Analysis of revenue by geographical location:	31 Dec 22 N'000	31 Dec 21 N'000
Nigeria	109,270,399	101,376,839
Others	-	-
	109,270,399	101,376,839

Concentration risk

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

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Disaggregated Revenue
Group

Segments	For the year ended 31 December 2022					Total
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	63,456,977	19,059,190	23,233,717	3,075,255	-	108,825,139
Rendering of service	-	148,664	-	-	296,596	445,260
Total	63,456,977	19,207,854	23,233,717	3,075,255	296,596	109,270,399
	=====	=====	=====	=====	=====	=====
Geographical Markets						
Nigeria	63,456,977	19,207,854	23,233,717	3,075,255	296,596	109,270,399
Outside Nigeria	-	-	-	-	-	-
Total	63,456,977	19,207,854	23,233,717	3,075,255	296,596	109,270,399
	=====	=====	=====	=====	=====	=====
Timing of revenue						
Goods transferred at a point in time	63,456,977	19,059,190	23,233,717	3,075,255	-	108,825,139
Services transferred over time	-	148,664	-	-	296,596	445,260
Total	63,456,977	19,207,854	23,233,717	3,075,255	296,596	109,270,399
	=====	=====	=====	=====	=====	=====

Disaggregated Revenue
Group

Segments	For the year ended 31 December 2021					Total
	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	59,951,491	15,265,777	23,634,055	2,208,183	-	101,059,507
Rendering of service	-	82,812	-	-	234,520	317,332
Total	59,951,491	15,348,589	23,634,055	2,208,183	234,520	101,376,839
	=====	=====	=====	=====	=====	=====
Geographical Markets						
Nigeria	59,951,491	15,348,589	23,634,055	2,208,183	234,520	101,376,839
Outside Nigeria	-	-	-	-	-	-
Total	59,951,491	15,348,589	23,634,055	2,208,183	234,520	101,376,839
	=====	=====	=====	=====	=====	=====
Timing of revenue						
Goods transferred at a point in time	59,951,491	15,265,777	23,634,055	2,208,183	-	101,059,507
Services transferred over time	-	82,812	-	-	234,520	317,332
Total	59,951,491	15,348,589	23,634,055	2,208,183	234,520	101,376,839
	=====	=====	=====	=====	=====	=====

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6 Dividend income	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Dividend income from subsidiaries	-	-	829,136	1,300,930
Dividend income from third parties	9,250	260,093	9,250	260,093
Total dividend income	9,250	260,093	838,386	1,561,023

6(a) Reconciliation to dividend received in statement of cash flows

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Gross dividend income	9,250	260,093	838,386	1,561,023
Scrip dividend income	-	-	(501,408)	-
Withholding tax on dividend income	(925)	(1,462)	(83,839)	(131,556)
Dividend received	8,325	258,631	253,139	1,429,467

7i Other operating income/(loss)

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Profit/(loss) on sale of Property, Plant and Equipment	15,459	(32,009)	2,335	(32,129)
Fair value gain on unbundling UPDC REIT (Note 37b)	-	324,725	-	324,725
Profit on sale of investment properties	458,049	-	458,049	-
Net fair value (loss)/gain on investment properties (Note 15)	(806,374)	1,139,398	(806,374)	1,139,398
Profit on disposal of asset held for sale	-	160,068	-	-
Write off of Property, Plant and Equipment	(125,935)	-	(153)	-
Government grant (Note 28)	264,350	-	-	-
Other income (a)	937,288	483,967	1,224,299	154,790
Total other operating income/(loss)	742,837	2,076,149	878,156	1,586,784

(a) Other income

Other income comprises:	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Management fees	149,319	109,569	-	-
Sale of scrap, used bags and by products	297,274	361,702	-	-
Board fees and allowances	-	-	67,606	27,011
Recharged costs (b)	-	-	699,884	127,779
Other trading income (c)	490,695	12,696	456,809	-
	937,288	483,967	1,224,299	154,790

(b) Recharged costs

Recharged costs represent reimbursable expenses incurred by the parent company on behalf of the subsidiaries which are recharged to the subsidiaries. Included in recharged cost is N573,048,000 which represents the reimbursement of the finance cost incurred on the commercial papers issued by UAC of Nigeria PLC on behalf of Grand Cereals Limited and Livestock Feeds PLC.

(c) Other trading income

Other trading income includes long outstanding liabilities now reversed to income, legal fees earned on disposal of properties, insurance claims recovered and other miscellaneous income.

7ii (Impairment loss)/writeback on financial assets

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N'000	N'000	N'000	N'000
Write back of impairment loss on related party receivables (Note 23)	11,147	12,439	11,947	8,939
Write back/(impairment loss) on other receivables	(51,048)	19,100	(46,032)	(10,296)
Writeback of impairment loss on debt securities (Note 19)	2,804	23,754	2,804	23,754
Write back of impairment loss on cash and cash equivalents	149	29,384	149	3,686
Impairment loss on trade receivables (Note 23)	(116,263)	(100,627)	-	-
Writeback of impairment loss on other financial assets	92,255	-	-	-
Total (impairment loss)/writeback on financial assets	(60,956)	(15,950)	(31,132)	26,083

8 (a) Expenses by Nature

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Raw materials consumed and changes in finished goods and work in progress	80,786,468	73,238,367	-	-
Write off of inventories to net realisable value	152,352	140,162	-	-
Personnel expenses (f)	11,059,494	9,632,401	1,369,410	1,405,502
Depreciation charge on property, plant and equipment	2,496,127	2,138,969	159,996	136,348
Depreciation charge on right-of-use asset	481,602	368,215	-	-
Amortisation of intangibles	206,739	33,208	7,721	3,144
Royalty fees	579,569	461,607	-	-
Rents & rates	151,578	270,807	35,006	32,161
Electricity & power	4,570,402	2,557,900	14,398	13,562
Vehicles repairs, maintenance & fueling	885,130	411,737	1,676	3,553
Other repairs & maintenance	791,944	1,159,895	52,042	34,674
Auditors' remuneration	128,270	132,005	26,579	26,579
Information technology charge	765,342	441,607	30,269	75,422
Legal and professional expenses	637,715	982,488	276,794	528,042
Donations	25,325	114,592	7,250	100,000
Subscriptions	75,799	109,124	20,317	32,223
Insurance	314,416	244,357	20,977	20,075

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8 (a) Expenses by Nature cont'd

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Distribution expenses	4,125,529	2,864,086	-	-
Marketing, Advertising & Communication	1,684,978	1,044,935	17,303	12,529
Hire of equipment	138,959	122,188	-	-
Catering expenses	336,117	249,493	15,091	5,921
Cleaning, laundry & sanitation	191,339	177,947	1,683	2,495
Levies, licenses & permit	57,063	83,501	-	-
Security	276,377	259,634	1,111	9,717
Travelling expenses	394,219	304,191	22,457	34,611
AGM expenses	84,724	64,526	39,587	21,374
Bank charges	102,623	81,169	7,931	7,740
Stationery and printing	133,745	98,899	2,273	5,605
Uniform and safety kit	22,319	28,845	260	90
Training and recruitment expenses	101,610	33,774	87,098	30,759
Project expense	68,989	79,241	450	-
Entertainment expense	17,585	36,732	-	-
Corporate gifts	217,636	107,476	8,727	11,777
Provision for VAT and WHT receivables(c)	-	303,872	-	9,728
Sundry office expenses (e)	282,462	305,265	26,258	6,674
	112,345,456	98,683,215	2,252,664	2,570,305

8 (b) Expenses by Function

Analysed as:

Cost of sales	95,033,006	83,837,291	-	-
Selling and distribution expenses	8,506,977	6,345,986	-	-
Administrative expenses	8,805,473	8,499,938	2,252,664	2,570,305
	112,345,456	98,683,215	2,252,664	2,570,305

8 (c) Provision for VAT and WHT receivables

Included in provision for VAT and WHT receivables for the group for 2021 is N62,961,000 which relates to the impairment of WHT receivables at Portland Paints & Products Nigeria PLC (PPNP) prior to the merger with Chemical and Allied Products PLC, based on the directive received from FIRS that the unutilised WHT credit notes in PPPNP cannot be used by the enlarged post-merger CAP to settle its pre or post merger tax liability.

8 (d) Non audit services

During the year, the Group's auditors Messrs KPMG Professional Services provided whistle-blowing services. The fees earned for the service was N2.15million

8 (e) Sundry office expenses

Sundry office expenses comprises the following:

VAT on commercial service fees	52,087	47,336	-	-
Loss on liquidation of UNICO	-	-	19,812	-
Other miscellaneous expenses	230,375	257,929	6,446	6,674
	282,462	305,265	26,258	6,674

8 (f) Personnel expenses

Personnel expenses include:

Wages, salaries and other short term benefits for staff, managers and executive directors	9,594,462	8,540,487	787,930	978,998
Directors' emoluments	886,586	784,957	304,188	289,278
Defined contribution plans	334,507	306,957	33,353	38,295
Share based benefits (Note 33)	243,939	98,931	243,939	98,931
	11,059,494	9,632,401	1,369,410	1,405,502

8 (f) Particulars of directors and staff

- (i) The group had in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Costs				
Key management personnel:				
Wages, salaries and other short term benefits	1,059,903	876,185	287,207	279,106
Directors' emoluments				
- Executive Directors	646,529	489,579	201,407	189,834
- Non-Executive Directors	240,057	295,378	102,781	99,444
	886,586	784,957	304,188	289,278
Post employment benefits:				
- Defined contribution plans	25,679	31,668	13,294	11,536
Total for non executive directors and key management personnel	1,972,168	1,692,809	604,689	579,920
Other management personnel	3,725,007	4,434,683	224,280	330,384
Staff	5,118,381	3,405,978	296,502	396,267
Share based benefits - Long Term Incentive Plan (Note 33)	243,939	98,931	243,939	98,931
Total	11,059,494	9,632,401	1,369,410	1,405,502

	The Group		The company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Numbers				
Key management personnel	27	16	3	3
Other management personnel	549	550	10	13
Staff	812	903	26	24
Total	1,388	1,469	39	40

Average cost per staff

	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
	7.968	6.557	35.113	35.138

- (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.

	The Group		The Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
N				
300,001 - 500,000	-	0	-	-
500,001 - 700,000	2	2	-	-
700,001 - 900,000	131	6	-	-
900,001 - 1,100,000	53	112	-	-
1,100,001 - 1,300,000	61	138	1	1
1,300,001 - 1,500,000	76	99	1	1
1,500,001 and Above	1,065	1,112	37	38
	1,388	1,469	39	40

	The Company	
	2022	2021
	N' 000	N' 000
(iii) Emoluments of directors		
Fees	13,969	16,183
Other emoluments	290,219	273,095
	304,188	289,278

(iv) The Chairman's emolument.	23,389	20,762
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(v) Emolument of the highest paid Director.	83,332	95,987
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- (vi) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

	The Company	
	2022	2021
	Number	Number
N		
100,001 - 15,000,000	5	6
15,000,001 and above	5	4

9. Net finance income

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Interest income on short-term bank deposits	699,208	703,440	366,672	447,775
Coupon on Eurobonds	180,628	301,180	180,628	301,180
Interest income on loans	238,212	203,471	385,155	255,737
Interest income on finance lease assets	3,300	3,300	-	-
Total interest income	1,121,348	1,211,391	932,455	1,004,692
Exchange gain	326,521	346,528	11,193	93,568
Finance Income	1,447,869	1,557,919	943,648	1,098,260
Interest expense on bank loans - Note 25	(2,680,239)	(1,353,466)	(11,949)	-
Interest expense on commercial paper - Note 25	(580,984)	-	(580,984)	-
Interest expense on lease liability - Note 21	(204,740)	(122,504)	-	-
Amortisation of premium on Eurobonds	(61,694)	(92,056)	(61,694)	(92,056)
Unwinding of discount on provisions	(5,046)	-	-	-
Finance Costs	(3,532,703)	(1,568,026)	(654,627)	(92,056)
Net finance (cost)/income	(2,084,834)	(10,107)	289,021	1,006,204

Analysis of interest income

	The Group		The Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Interest on fixed deposit	692,227	443,464	365,092	255,737
Interest on related party loans	238,212	203,471	385,155	258,995
Interest on treasury bills	-	319	-	-
Interest on call deposit	6,926	45,442	1,525	13,155
Interest on current account	23	40,298	23	1,708
Interest on commercial paper	162	173,917	162	173,917
Coupon on Eurobonds	180,498	301,180	180,498	301,180
Interest on finance lease assets	3,300	3,300	-	-
Interest income	1,121,348	1,211,391	932,455	1,004,692

10. Taxation

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	Restated N'000
Current tax				
Nigeria corporation tax charge for the year	840,503	971,945	24,494	10,987
Education tax	117,912	157,913	5,517	2,672
Capital gains tax	68,776	15,678	68,492	-
Trust Levy	220	344	37	124
Withholding tax on dividend income	83,839	131,555	83,839	131,555
Prior year over provision	(136)	(15,567)	-	-
Total current tax charge	1,111,114	1,261,868	182,379	145,338
Deferred tax				
Temporary differences, origination and reversal (note (26))	(1,933,657)	178,625	(133,499)	(2,716)
Total deferred tax	(1,933,657)	178,625	(133,499)	(2,716)
Income tax expense	(822,543)	1,440,493	48,880	142,622

Nigeria corporation tax is calculated at 30% (2021: 30%) of the taxable profit for the period and education tax is calculated at 2.5% (2021: 2.5%) of assessable profit.

The tax charge for the period can be reconciled to the profit per the consolidated income statement as follows:

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Profit/(loss) before tax (A)	(4,365,316)	4,108,373	730,708	2,487,246
Tax at the Nigeria corporation tax rate of 30% (2021: 30%)	(1,309,595)	1,232,512	219,212	746,174
Education tax	117,912	157,912	5,517	2,672
Capital gains tax	68,776	-	68,492	-
Tax effect of disallowable expenses	539,392	124,444	8,099	-
Tax effect of Exempt income	(495,529)	(50,655)	(313,123)	(533,071)
Temporary differences	(247,339)	46,800	(27,104)	-
Trust levy	220	283	37	124
Change in estimate relating to prior years	33,469	(13,390)	-	-
Tax incentives	-	(4,330)	-	-
Permanent differences	-	(43,995)	-	(78,162)
Unrelieved losses	72,477	-	-	-
Effect of unrecognised tax credit	-	(13,999)	-	-
Effect of current year unrecognised deferred tax	309,194	(125,908)	-	(125,935)
Investment allowance	175	(736)	274	(736)
Withholding tax on dividend income	83,839	131,555	83,839	131,555
Balancing charge	4,465	-	3,637	-
Tax charge for the year (B)	(822,543)	1,440,493	48,880	142,622
Effective tax rate B/A	19%	35%	7%	6%

Current income tax liabilities

	The Group		The Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Opening balance	3,726,695	3,814,160	2,490,527	2,480,618
Income tax expense	1,111,114	1,261,869	182,379	145,338
Minimum tax	456,730	78,721	-	-
Withholding tax credit notes utilised	(181,136)	(149,955)	(103,772)	(133,451)
Payment during the year	(1,116,235)	(1,278,099)	(47,016)	(1,978)
	3,997,168	3,726,695	2,522,118	2,490,527

11. Dividend

	The Company	
	2022	2021
	N'000	N' 000
Amounts recognised as distribution to ordinary shareholders in the year comprise:		
Dividend declared	1,872,843	3,457,556
Number of shares (000)	2,881,296	2,881,296
Dividends per share (kobo per share)	65	120

12. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
(Loss)/profit attributable to ordinary equity shareholders:				
(Loss)/profit from continuing operations	(3,088,873)	1,808,731	681,828	2,344,624
(Loss)/profit from discontinued operations	9,951	(1,824)	-	-
(Loss)/profit for the year	(3,078,922)	1,806,907	681,828	2,344,624

		Restated		Restated
Basic (loss)/earnings per share				
From continuing operations	(107)	62	24	81
From discontinued operations	0	(0)	-	-
(Loss)/earnings per share	(107)	62	24	81

	The Company	
	2022	2021
	Number	Restated Number
Basic weighted average and Diluted weighted average number of shares (000)	2,896,241	2,896,241

(b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share because there are no dilutive potential ordinary shares during the period.

(c) Restatement of 2021 weighted average number of shares

The basic and diluted weighted average number of shares for 2021 was adjusted retrospectively as a result of the scrip dividend issued in 2022.

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13. Property, plant and equipment

The Group

Cost:	Land	Buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000		N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	1,352,793	7,279,865	19,921,189	1,346,983	3,096,252	921,522	2,563,948	36,482,552
Additions	-	259,244	1,257,219	134,810	591,747	90,332	1,132,975	3,466,327
Disposals (b)	-	(126,565)	(103,780)	(32,118)	(253,547)	(20,765)	(6,814)	(543,588)
Transfers from assets held for sale	-	29,102	486,345	4,664	-	408	(506,137)	14,382
Write off	-	-	(41,542)	(321,845)	-	(45,627)	-	(409,013)
Reclassifications (a)	-	139,535	158,376	44,308	31,613	97,205	(505,667)	(34,631)
At 31 December 2021	1,352,793	7,581,181	21,677,807	1,176,802	3,466,064	1,043,076	2,678,305	38,976,029
At 1 January 2022	1,352,793	7,581,181	21,677,807	1,176,802	3,466,064	1,043,076	2,678,305	38,976,029
Additions	-	265,349	2,743,281	109,154	1,117,000	151,905	1,594,500	5,981,189
Disposals	-	-	(399,545)	(17,206)	(137,513)	(2,834)	-	(557,098)
Transfer to intangible assets(a)	-	17,476	-	11	-	9,639	(499,306)	(472,180)
Transfer from assets held for sale	-	-	18,299	-	-	2,786	-	21,085
Write off	-	(7,287)	(677,419)	(46,982)	(291,437)	(1,547)	-	(1,024,672)
Reclassification	-	101,287	534,790	24,463	28,265	52,106	(740,911)	-
At 31 December 2022	1,352,793	7,958,006	23,897,213	1,246,242	4,182,379	1,255,131	3,032,588	42,924,353
Accumulated depreciation and impairment								
At 1 January 2021	-	2,142,969	10,039,757	1,099,503	1,478,275	698,214	12,000	15,470,718
Charge for the year	-	163,403	1,339,579	112,383	455,024	68,581	-	2,138,970
Disposals	-	(105,419)	(94,762)	(30,125)	(200,608)	(19,524)	-	(450,438)
Transfer from assets held for sale	-	-	-	1,227	-	-	-	1,227
Write-off	-	-	(41,508)	(321,286)	-	(45,317)	-	(408,111)
At 31 December 2021	-	2,200,953	11,243,066	861,702	1,732,691	701,954	12,000	16,752,365
At 1 January 2022	-	2,200,953	11,243,066	861,702	1,732,691	701,954	12,000	16,752,365
Charge for the year	-	178,799	1,483,695	112,898	609,504	111,232	-	2,496,128
Disposals	-	-	(367,791)	(2,751)	(113,811)	(1,401)	-	(485,756)
Transfer from assets held for sale	-	-	16,103	-	-	836	-	16,939
Write-off	-	(6,839)	(559,549)	(46,745)	(284,184)	(1,419)	-	(898,734)
At 31 December 2022	-	2,372,911	11,815,524	925,105	1,944,199	811,202	12,000	17,880,943
Net book values:								
At 31 December 2022	1,352,791	5,585,095	12,081,689	321,137	2,238,180	443,929	3,020,588	25,043,411
At 31 December 2021	1,352,793	5,380,228	10,434,742	315,100	1,733,373	341,122	2,666,305	22,223,664

(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.

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13. Property, plant and equipment

The Company

Cost:	Building	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
		N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	617,373	377,072	429,439	295,285	74,491	117,406	1,911,067
Additions	11,479	-	12,271	56,380	102	135,145	215,376
Disposals	-	-	(2,580)	(67,195)	-	-	(69,776)
Write Off	-	(41,542)	(321,845)	-	(45,627)	-	(409,013)
Reclassifications	105,098	24,542	38,096	-	52,158	(220,658)	(764)
At 31 December 2021	733,950	360,072	155,380	284,469	81,124	31,893	1,646,890
At 1 January 2022	733,950	360,072	155,380	284,469	81,124	31,893	1,646,890
Additions	13,286	9,142	26,085	49,450	929	60,993	159,885
Disposals	-	(23,412)	(1,376)	(47,750)	-	-	(72,538)
Write Off	-	(5,239)	(515)	-	(1,547)	-	(7,301)
Transfer to intangible assets	17,476	-	11	-	9,639	(82,965)	(55,839)
At 31 December 2022	764,712	340,563	179,585	286,169	90,145	9,921	1,671,097
Accumulated depreciation and impairment							
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)
Other reclassification	-	(41,508)	(321,286)	-	(45,317)	-	(408,112)
At 31 December 2021	245,092	216,245	101,007	127,233	24,529	-	714,107
At 1 January 2022	245,092	216,245	101,007	127,233	24,529	-	714,107
Charge for the year	13,946	46,042	20,811	61,101	18,095	-	159,995
Disposals	-	(23,411)	(667)	(35,317)	-	-	(59,395)
Write Off	-	-	(5,214)	(514)	-	(1,419)	(7,147)
At 31 December 2022	259,038	238,876	115,937	152,503	42,624	(1,419)	807,560
Net book values:							
At 31 December 2022	505,674	101,687	63,648	133,666	47,521	11,340	863,537
At 31 December 2021	488,858	143,827	54,373	157,236	56,595	31,893	932,783

No impairment loss was recognised on property, plant and equipment

No borrowing cost was capitalised during the year.

The non-current assets are not pledged as security by the Company.

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14. Intangible assets and goodwill

	Group					Company		
	Goodwill	Brands & Trade Marks	Software	Capital Work in progress	Total	Software	Capital Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
At 1 January 2021	548,747	1,070,185	844,879	4,620	2,468,432	196,302	-	196,302
Additions - externally acquired during the year	-	-	3,710	142,059	145,769	-	-	-
Transfer from property, plant and equipment	-	-	1,191	33,439	34,630	-	764	764
Write-off	-	-	(764)	-	(764)	-	(764)	(764)
At 31 December 2021	548,747	1,070,185	849,016	180,118	2,648,066	196,302	-	196,302
At 1 January 2022	548,747	1,070,185	849,016	180,118	2,648,066	196,302	-	196,302
Additions	-	-	1,422,626	422,893	1,845,519	-	-	-
Transfer from property, plant and equipment	-	-	472,180	-	472,180	55,839	-	55,839
Reclassifications	-	-	598,389	(598,389)	-	-	-	-
Write-off	-	-	(125,956)	-	(125,956)	-	-	-
At 31 December 2022	548,747	1,070,185	3,216,255	4,622	4,839,810	252,141	-	252,141
Accumulated amortisation								
At 1 January 2021	-	288,439	806,771	-	1,095,209	186,268	-	186,268
Amortisation for the year	-	-	33,208	-	33,208	3,144	-	3,144
At 31 December 2021	-	288,439	839,978	-	1,128,417	189,412	-	189,412
At 1 January 2022	-	288,439	839,978	-	1,128,417	189,412	-	189,412
Amortisation for the period	-	-	206,740	-	206,740	7,721	-	7,721
Write-off	-	-	(122,094)	-	(122,094)	-	-	-
At 31 December 2022	-	288,439	924,625	-	1,213,063	197,133	-	197,133
Net book values								
At 31 December 2022	548,747	781,747	2,291,630	4,622	3,626,747	55,008	-	55,008
At 31 December 2021	548,747	781,747	9,038	180,118	1,519,650	6,890	-	6,890

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.

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The following is a summary of goodwill allocation for each operating segment:

	Opening	Addition	Disposal	Impairment	Other Adjustments	Closing
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
2021						
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Portland Paints and Products Nigeria PLC	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747
	Opening	Addition	Disposal	Impairment	Other Adjustments	Closing
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
2022						
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Chemical and Allied Products PLC	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

Animal Feeds CGU under Livestock Feeds

Livestock Feeds Limited is the CGU in the Animal feeds segment with goodwill. The recoverable amount of the CGU was ₦2.8billion as at 31 December 2022 (2021: ₦4.7 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 (2021: 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). The fair value less cost of disposal exceeds the carrying value of the CGU of ₦2.5 billion, consequently no impairment was charged as at 31 December 2022 (2021: Nil).

Paints CGU under Chemical and Allied Products 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 became the CGU in the paints segment with goodwill. The recoverable amount of the CGU was ₦7.9billion as at 31 December 2022 (2021: ₦8.7 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 (2021: 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). The fair value less cost of disposal exceeds the carrying amount of the CGU (N3.3billion), consequently no impairment was charged as at 31 December 2022 (2021: Nil).

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
Fair value						
At 1 January 2021	303,712	2,331,287	2,634,999	-	2,331,287	2,331,287
Net gain from fair value adjustments on investment property	-	1,139,398	1,139,398	-	1,139,398	1,139,398
Reclassification to non-current asset held for sale(Note 37)	(303,712)	-	(303,712)	-	-	-
At 31 December 2021	-	3,470,685	3,470,685	-	3,470,685	3,470,685
At 1 January 2022	-	3,470,685	3,470,685	-	3,470,685	3,470,685
Disposals	-	(228,951)	(228,951)	-	(228,951)	(228,951)
Net loss from fair value adjustments on investment property	-	(806,374)	(806,374)	-	(806,374)	(806,374)
At 31 December 2022	-	2,435,360	2,435,360	-	2,435,360	2,435,360

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
31-Dec-22						
External valuation	-	2,435,360	2,435,360	-	2,435,360	2,435,360
	-	2,435,360	2,435,360	-	2,435,360	2,435,360

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
31-Dec-21						
External valuation	-	3,470,685	3,470,685	-	2,331,287	2,331,287
	-	3,470,685	3,470,685	-	2,331,287	2,331,287

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

Price per square metre

N2,108 - N67,415,730

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 in December 2022 by Robert Offor & Co. (FRC/2015/NIESV/00000010621), an independent professionally qualified valuer who holds recognised relevant professional qualifications and has recent experience in the locations and categories of the investment properties valued. The valuation report for 2022 was signed by the firm's managing partner Mr. Robert Offor (FRC/2015/NIESV/00000010621)

Included in Investment property for 2021 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	
Rental income schedule	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	N' 000	N' 000	N' 000	N' 000
Rental income derived from investment properties	60,638	72,248	60,638	72,248
Direct operating expenses (including repairs and maintenance) on investment property generating rental income	(598)	(18,329)	(598)	(18,329)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(10,933)	(10,319)	(10,933)	(10,319)
Profit arising from investment properties carried at fair value	49,107	43,600	49,107	43,600

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 N215,987,984/N227,591,684 (2021: Group - N218,827,000; Company: N228,505,734)

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

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
0-1 year	-	17,213	1,567	17,213
1-5 years	-	-	9,182	-
Above 5 years	-	-	-	-
Total	-	17,213	10,749	17,213

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 22 N' 000	31 Dec 21 N' 000		
Opening balance	18,535,951	14,615,951		
Additions - Acquisitions in Subsidiaries	501,408	3,920,000		
Closing Balance	19,037,359	18,535,951		

	31 Dec 22 N' 000	31 Dec 21 N' 000	31 Dec 22 % ownership	31 Dec 21 % ownership
Quoted shares:				
Chemical and Allied Products PLC (a) 471,343,569 (2021: 445,696,097) ordinary shares of 50k each)	2,945,759	2,444,351	57.85	56.54
Livestock Feeds PLC 2,198,745,772 ordinary shares of 50k each	2,246,401	2,246,401	73.29	73.29
Unquoted shares:				
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 ordinary shares of 50k each	6,334,414	6,334,414	100.00	100.00
UAC Restaurants Limited 220,830,000 ordinary shares of 50k each	251,290	251,290	51.00	51.00
	19,037,359	18,535,951		

Investments in subsidiaries are measured at cost

16(a). Increase in percentage holding of Chemical and Allied Products PLC

During the reporting period, Chemical and Allied Products PLC (CAP) allotted 26,487,980 units of ordinary shares from the unissued capital of the Company at a nominal value of 50 kobo per ordinary share to 105 members who elected for new ordinary shares in the Company in lieu of dividend. UAC of Nigeria PLC elected for new ordinary shares in lieu of dividend and received 25,647,472 ordinary shares of 50 kobo each which has been eliminated on consolidation. The additional shares received resulted in an increase in the percentage shareholding of UACN in CAP by 1.31%, from 56.54% to 57.85%. The impact of the change in percentage shareholding is as shown below:

	N' 000
Net asset attributable to owners as at 30 June 2022	4,846,592
Change in UACN's % holding in CAP	1.31%
Change in NCI as a result of scrip dividend issued by CAP	63,490

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 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
At 1 January	449,975	188,125	449,975	188,125
Additions	137,862	221,850	137,862	221,850
Refund from Kaduna	(497)	-	(497)	-
Fair value gain/(loss) (a)	(72,375)	40,000	(72,375)	40,000
At 31 December	514,965	449,975	514,965	449,975

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 2022 N' 000	Fair value as at 31 December 2021 N' 000	Dividend Income Recognised in 2022 N' 000	Dividend Income Recognised in 2021 N' 000
Investment in Central Securities Clearing System PLC	155,750	228,125	8,325	14,625
Investment in Kandua	108,253	108,750	-	-
Investment in Unicorn Growth Capital LLC	113,100	113,100	-	-
Ventures Platform IV GP Limited	137,862	-	-	-
	514,965	449,975	8,325	14,625

(a) Fair value gain/(loss)

The fair value (loss)/gain represents a fair value loss (2021: 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 2022. 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 2022 N'000	2021 N'000	The Company 2022 N'000	2021 N'000
UPDC PLC	Nigeria	42.85%	42.85%	42.85%	42.85%
MDS Logistics	Nigeria	43%	43%	43%	43%

		The Group 2022 N'000	2021 N'000	The Company 2022 N'000	2021 N'000
Associate					
MDS Logistics		4,745,917	4,710,886	1,569,274	1,569,274
UPDC PLC		3,766,080	3,780,560	3,745,233	3,745,233
At 31 December		8,511,997	8,491,446	5,314,507	5,314,507

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

	The Group 2022 N'000	2021 N'000	The Company 2022 N'000	2021 N'000
At 1 January	8,491,446	13,018,568	5,314,507	8,886,167
Share of profit/(loss)	103,444	(895,436)	-	-
Share of other comprehensive loss	(82,893)	(60,026)	-	-
Reclassified to non-current assets held for sale/distribution*	-	(3,571,660)	-	(3,571,660)
At 31 December	8,511,997	8,491,446	5,314,507	5,314,507

*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)).

18. Investments in associates and equity accounted joint ventures - Continued

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 N'000	Net Assets N'000
31-Dec-22						
UPDC PLC	8,961,489	10,466,915	4,775,112	6,256,655	3,161,475	8,396,637
MDS Logistics	15,898,714	3,750,863	12,081,871	2,793,125	485,176	4,774,580
		Revenue N'000	Profit/(loss) from N'000	Profit/(loss) from N'000	Other comprehensive N'000	Total N'000
31-Dec-22						
UPDC REIT						
UPDC PLC		5,896,957	200,532	-	(193,450)	7,082
MDS Logistics		10,936,271	81,468	-	-	81,468
31-Dec-21						
UPDC REIT						
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	Profit/(loss) from N'000	Profit/(loss) from N'000	Other comprehensive N'000	Total N'000
31-Dec-21						
UPDC REIT						
UPDC PLC		825,404	(1,758,770)	(116,286)	(140,084)	(2,015,140)
MDS Logistics		8,567,941	-163,018	-	-	(163,018)

	The Group 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
19. Debt instruments at amortised cost				
At 1 January	2,476,184	2,253,499	2,476,184	2,253,499
Additions during the year	297,359	2,056,696	297,359	2,056,696
Settlements during the year	(585,028)	(1,902,273)	(585,028)	(1,902,273)
Coupon accrued	180,628	301,180	180,628	301,180
Coupon received	(184,745)	(229,249)	(184,745)	(229,249)
Premium amortised to P/L	(61,694)	(129,948)	(61,694)	(129,948)
Exchange gain on revaluation	113,911	126,280	113,911	126,280
Gross investment in debt	2,236,615	2,476,184	2,236,615	2,476,184
ECL -Impairment (Note 3.1 (b))	(4,512)	(7,316)	(4,512)	(7,316)
At 31 December	2,232,103	2,468,868	2,232,103	2,468,868

The Group invested in Eurobond assets with the business model of solely holding for principal and interest payment and designated as debt instrument at amortised cost.

The Group invests only in quoted debt securities with low credit risk. The Group's debt instruments at amortised cost comprised solely of quoted eurobonds that are rated by reputable Credit Rating Agencies. The Group recognised provision for expected credit losses on its debt instruments at amortised cost of N4,512,000 (2021: N7,316,103).

31 December 2022

	Stage 1 N' 000	Group and Company Stage 2 N' 000	Stage 3 N' 000	Total N' 000
Bond type				
B-/Fitch ETI 2031	205,583	-	-	205,583
B-/S&P; B-/Fitch Ecobank 2026	501,535	-	-	501,535
B-/S&P; B-/Fitch SEPLAT 2026	243,177	-	-	243,177
B2/Moody's; B-/S&P; B+/Fitch FGN 2025	1,170,600	-	-	1,170,600
	2,120,895	-	-	2,120,895
Premium on bonds	116,137	-	-	116,137
Discount on bonds	(417)	-	-	(417)
Total	2,236,615	-	-	2,236,615

31 December 2021

	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
Bond type				
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
	2,304,302	-	-	2,304,302
Amortisation premium on bond	171,882	-	-	171,882
Total	2,476,184	-	-	2,476,184

	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
Movement in Expected Credit Loss (ECL)				
At 1 January 2022	7,316	-	-	7,316
Write back of impairment loss	(2,804)	-	-	(2,804)
At 31 December 2022	4,512	-	-	4,512
At 1 January 2021	31,070	-	-	31,070
Write back of impairment loss	(23,754)	-	-	(23,754)
At 31 December 2021	7,316	-	-	7,316

20. Refund assets and refund liabilities

	The Group 31 Dec 22 N' 000	31 Dec 21 N' 000	The Company 31 Dec 22 N' 000	31 Dec 21 N' 000
Refund assets	4,683	3,328	-	-
Refund liabilities				
- Arising from retrospective volume rebates	-	-	-	-
- Arising from rights of return	4,924	3,690	-	-
	4,924	3,690	-	-

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 accounting policy on variable consideration.

21. Right of use assets

The Group has lease contracts for various items of land and building and machinery and other equipment used in its operations. Leases of land and building generally have lease terms between 1 and 45 years, while machinery and other equipment generally have lease terms between 3 months and 5 years.

Right of use assets	Land and Building N' 000	Plant and Machinery N' 000	Total N' 000
At 1 January 2021	464,102	40,887	504,989
Additions	352,226	252,580	604,807
Depreciation expenses	(211,561)	(156,653)	(368,215)
Lease termination	(23,687)	-	(23,687)
At 31 December 2021	581,080	136,814	717,894
At 1 January 2022	581,080	136,814	717,894
Additions	1,235,479	-	1,235,479
Depreciation expenses	(355,312)	(126,290)	(481,602)
At 31 December 2022	1,461,247	10,524	1,471,771

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 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
Amounts recognised in profit or loss				
Depreciation of Right of use assets	481,602	368,215	-	-
Interest expense on lease liabilities	(204,740)	(122,504)	-	-
Expense relating to short term/low value leases	151,578	270,807	35,006	32,161

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

	The Group 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
21. Lease Liability				
At 1 January	612,636	475,317	-	-
Accretion interest	204,741	122,505	-	-
Additions during the year	988,969	578,981	-	-
Payment of principal	(447,399)	(539,009)	-	-
Lease terminated	-	(25,158)	-	-
At 31 December	1,358,947	612,636	-	-
Current	789,007	341,627	-	-
Non-current	569,940	271,009	-	-
	1,358,947	612,636	-	-

The maturity analysis of lease liabilities are disclosed in Note 3.3

22. Inventories

	The Group 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
Raw materials and consumables	16,639,275	27,197,637	-	-
Technical stocks and spares	3,795,822	5,746,789	-	-
Finished goods and goods for resale	6,829,330	3,903,046	-	-
	27,264,427	36,847,472	-	-
Write down to net realisable value (Note 8)	(2,868,027)	(633,949)	-	-
	24,396,400	36,213,523	-	-

The cost of inventories recognised as an expense during the year in respect of continuing operation was N81 billion (2021: N73 billion).

The value of inventory written down which were recognised as expense during the period was N152 million (2021: N140million)

No inventory has been pledged as security (2021: Nil)

22(a). Reconciliation of changes in inventory in the cashflow statement

	The Group 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
Changes in inventory	11,817,125	(16,090,452)	-	3,602
Write off of inventories to net realisable value	(152,352)	(140,162)	-	-
Changes in inventory in the cashflow statement	11,664,773	(16,230,614)	-	3,602

23. Trade and other receivables

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Receivables due within one year				
Trade receivables	2,266,777	1,819,831	-	-
Less: allowance for impairment of trade receivables	(704,904)	(761,146)	-	-
Net trade receivables	1,561,873	1,058,685	-	-
Receivables from group companies - Note 35 c	-	-	1,198,449	714,385
Less: allowance for impairment of intercompany receivables	-	-	(3,186)	(3,986)
Receivables from associates - Note 35b	109,322	53,789	109,230	48,287
Loan receivable from related parties	2,146,881	2,668,944	3,260,498	4,197,894
Allowance for expected credit losses on associates and related party receivables	(5,485)	(16,632)	(5,485)	(16,632)
Non financial assets				
Other receivables	1,583,548	902,067	162,703	112,837
Advance payments	685,319	3,923,162	-	-
WHT receivable	607,857	479,908	421,167	352,456
Prepayments - staff grants	53,296	86,828	36,780	24,450
Prepayments- Other	2,097,767	2,242,497	30,209	24,978
	8,840,378	11,399,248	5,210,365	5,454,669

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.

Prepayments - other relates to prepaid expenses that are amortised over a period and import prepayments.

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Trade and other receivables - Current	6,693,502	8,722,956	1,949,867	2,249,427
Trade and other receivables - Non-current	2,146,876	2,676,292	3,260,498	3,205,242
	8,840,378	11,399,248	5,210,365	5,454,669

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

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	761,146	1,191,031	-	-
Expected credit loss allowance	116,263	100,627	-	-
Amount written off	(172,505)	(530,513)	-	-
At 31 December	704,904	761,146	-	-

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

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	16,632	29,071	16,632	29,557
Impairment charge no longer required	(11,147)	(12,439)	(11,147)	(12,925)
Impairment charge for the year	-	-	-	-
At 31 December	5,485	16,632	5,485	16,632

Reconciliation of changes in trade and other receivables to the cashflow statement

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Changes in trade and other receivables	2,558,872	(5,026,276)	244,306	(3,437,960)
Withholding tax utilised during the period (Note 10)	(181,136)	(149,955)	(103,772)	(133,451)
Withholding tax on dividend income (Note 6(a))	925	1,462	83,839	131,556
Impairment loss on trade and other receivables	(167,311)	(81,527)	-	-
Write back of impairment loss on other receivables (Note 6)	11,147	-	11,947	(10,296)
Amount receivable from deconsolidation of UNICO (Note 37)	57,285	-	-	-
Movement in cashflow statement	2,279,782	(5,256,296)	236,320	(3,450,151)

23.1 Finance lease receivables

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Gross investment in lease	83,600	83,600	-	-
Unearned finance income	(72,628)	(69,928)	-	-
	10,972	13,672	-	-
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Current asset	600	3,300	-	-
Non-current asset	10,372	10,372	-	-
Total finance lease receivable	10,972	13,672	-	-

24. Cash and cash equivalents

	The Group 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
Cash at bank and in hand	2,315,714	1,150,876	115,322	45,833
Short-term deposits	13,881,974	10,018,230	4,843,003	4,258,911
Expected credit losses on short term deposits	(719)	(866)	(719)	(866)
Cash at banks and short term deposits attributable to discontinued operations	-	241,706	-	-
Cash and cash equivalents	16,196,969	11,409,946	4,957,606	4,303,878

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 cash equivalents is ₦4.95 bn (Company: ₦3.47 bn) which represents unclaimed dividends received from the registrars as at 31 December 2022 (2021: Group :₦4.68 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 2022 N' 000	2021 N' 000	The Company 2022 N' 000	2021 N' 000
Cash and cash equivalents	16,196,969	11,409,946	4,957,606	4,303,878
Expected credit losses on short term deposits	719	866	719	866
Balances per statement of cash flow	16,197,688	11,410,812	4,958,325	4,304,744

25. Borrowings

	The Group 2022 N' 000	2021 N' 000
Current borrowings		
Loans due within one year	16,537,153	19,571,889
	16,537,153	19,571,889
Non-current borrowings		
Loans due after one year (i)	2,467,290	339,723
	2,467,290	339,723
Total borrowings	19,004,443	19,911,612
As at 1 January	19,911,612	4,238,957
Repayment of borrowing during the year	(104,083,120)	(30,957,284)
(Initial fair value of government grant)/ Government grant no longer required	(488,570)	267,383
Interest on loans	3,261,224	1,353,466
Interest paid	(2,185,137)	(1,099,038)
Additions	102,588,434	46,108,128
As at 31 December	19,004,443	19,911,612

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group 2022 N' 000	2021 N' 000
Within one year	16,537,153	19,571,889
Between one to five years	2,467,290	339,723
	19,004,443	19,911,612

(i) Loans due within one year

Bank	The Group Effective Interest Rate	2022 N' 000	2021 N' 000	Maturity date	Security
Eco Bank	8.0%	-	1,528,097	Feb-22	No security
First Bank of Nigeria Ltd	18%(8%)	9,835,225	10,308,518	Dec-22	No security
First Bank of Nigeria Ltd	18.0%	2,391,799	-	Dec-23	No security
First Bank of Nigeria Ltd - Commercial loan	16%(11.5%)	2,068,532	5,652,074	Aug-23	No security
Zenith bank - Commercial loan	16.5%(12%)	1,010,667	1,800,000	Oct-23	No security
Zenith bank - Produce loan	12.0%	-	277,030	Dec-22	No security
CBN CACS FUND-UBN	9.0%	495,820	-	Feb-23	No security
FSDH	0.0%	-	6,170	Dec-22	Negative pledge
Coronation Merchant Bank	8.5%+SOFR*	735,110	-	Mar-23	Negative pledge
		16,537,153	19,571,889		

The above borrowings are denominated in Naira

*SOFR: Secured Overnight Financing Rate

(ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	The Group Effective Interest Rate	2022 N' 000	2021 N' 000	Maturity date	Security
Facility					
CBN DCRR - First Bank	9.0%	1,380,748	-	Dec-26	No Security
Famous Brands Limited**	12.0%	1,086,542	339,723	May-26	No Security
		2,467,290	339,723		

**The loan from Famous Brands Limited represents the company's portion of the shareholder loan that was disbursed to UACR. The share of the loan provided by UAC of Nigeria PLC has been eliminated on consolidation.

The Company

The company had no borrowings as at 31 December 2022.

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26. Deferred Tax

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

	The Group 2022 N'000	2021 N'000	The Company 2022 N'000	2021 N'000
Deferred tax liabilities:				
– Deferred tax liability to be recovered after more than 12 months	2,708,129	4,649,022	315,251	455,987
– Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liabilities	2,708,129	4,649,022	315,251	455,987
Net Deferred tax liabilities	2,708,129	4,649,022	315,251	455,987

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

	2022 N'000	Group 2021 N'000	2022 N'000	Company 2021 N'000
At 1 January	4,649,022	4,466,397	455,987	454,703
(Charged)/credited to profit or loss	(1,933,655)	178,625	(133,498)	(2,716)
Credited/(charged) to other comprehensive income	(7,238)	4,000	(7,238)	4,000
At 31 December	2,708,129	4,649,022	315,251	455,987

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

The Group

Deferred tax assets

	Property, plant and equipment N'000	Allowance for impairment on receivables N'000	Tax losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 1 January 2021	(86,140)	124,793	-	-	-	-	-	38,653
(Credited)/charged to profit or loss	86,140	(124,793)	-	-	-	-	-	(38,653)
At 31 December 2021	-	-	-	-	-	-	-	-
At 1 January 2022	-	-	-	-	-	-	-	-
Reclassification to deferred tax liabilities	-	-	-	-	-	-	-	-
At 31 December 2022	-	-	-	-	-	-	-	-

The Group has tax losses of ₦611,585,458 (2021: ₦128,234,000) 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

	Property, plant and equipment	Allowance for impairment on receivables, equity instruments measured at FVOCI & Provisions	Tax losses	Leases	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	4,022,481	(144,878)	(54,134)	8,119.00	72,717	1,015,333	(414,588)	4,505,050
Reclassified from deferred tax asset	86,140	(124,793)	-	-	-	-	-	(38,653)
(Credited)/Charged to profit or loss	724,741	(336,910)	(35,661)	41,076	39,057	(668,265)	414,588	178,626
Charged to other comprehensive income	-	4,000	-	-	-	-	-	4,000
At 31 December 2021	4,833,361	(602,581)	(89,795)	49,195	111,774	347,068	-	4,649,022
At 1 January 2022	4,833,361	(602,581)	(89,795)	49,195	111,774	347,068	-	4,649,022
(Credited)/Charged to profit or loss	(256,857)	(107,161)	(1,632,487)	(3,073)	154,980	(103,533)	-	(1,948,131)
Charged to other comprehensive income	-	7,238	-	-	-	-	-	7,238
At 31 December 2022	4,576,504	(702,504)	(1,722,282)	46,122	266,754	243,535	-	2,708,129

The Company

	Property, plant and equipment	Allowance for impairment on receivables, equity instruments measured at FVOCI & Provisions	Unutilised tax credits	Leases	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	162,761	(32,157)	(52,140)	-	90,362	285,878	-	454,703
(Credited)/Charged to profit or loss	12,721	(27,638)	(23,036)	-	(25,954)	61,191	-	(2,716)
Charged to other comprehensive income	-	4,000	-	-	-	-	-	4,000
At 31 December 2021	175,482	(55,795)	(75,177)	-	64,408	347,069	-	455,987
At 1 January 2022	175,482	(55,795)	(75,177)	-	64,408	347,069	-	455,987
(Credited)/Charged to profit or loss	5,081	(60,913)	(41,707)	-	67,573	(103,532)	-	(133,498)
Charged to other comprehensive income	-	(7,238)	-	-	-	-	-	(7,238)
At 31 December 2022	180,563	(123,946)	(116,884)	-	131,981	243,537	-	315,251

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27. Trade and other payables

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Trade payables	6,479,598	5,821,213	-	-
Other payables	2,274,635	1,196,085	664,484	49,850
WHT payable	654,294	566,608	444,967	437,419
VAT payable	184,375	265,227	16,748	11,052
PAYE payable	37,314	43,776	25,975	19,595
Accruals	3,721,784	3,454,575	476,532	920,960
Total	13,352,000	11,347,484	1,628,706	1,438,876

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.

27(a) Reconciliation of movement in trade and other payables to the cashflow statement

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
Movement in trade and other payables	2,004,516	934,295	189,830	219,457
Reclassification from dividend payable	-	(752,683)	-	(431,003)
Statute barred unclaimed dividend written back	256,320	-	-	-
Movement in trade and other payable in cashflow statement	2,260,836	181,612	189,830	(211,546)

28. Government Grants

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	-	267,383	-	-
Amount received during the year	488,569	-	-	-
Reversed on payment of Sterling Bank PLC/BOI Agric Loan	-	(267,383)	-	-
Amortised to the statement of profit or loss	(264,350)	-	-	-
At 31 December	224,219	-	-	-
Current	92,167	-	-	-
Non-current	132,052	-	-	-
	224,219	-	-	-

Government grant represents the the benefit of the below-market rate of interest on the Federal Government agricultural Intervention Fund (CACS) and the Central Bank of Nigeria (CBN) Differentiated Cash Reserves Requirement (DCRR) facilities obtained by Livestock Feeds PLC and Grand Cereals Limited respectively.

29. Contract liabilities

	The Group		The Company	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	2,425,294	1,340,627	95,562	159,277
Refund	-	(190)	-	-
Released to the statement of profit or loss	(1,484,075)	(1,377,479)	(153,625)	(208,940)
Deferred during the year	1,370,656	2,462,336	108,698	145,225
At 31 December	2,311,875	2,425,294	50,635	95,562

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	
	2022	2021	2022	2021
	N' 000	N' 000	N' 000	N' 000
As at 1 January	5,193,036	6,084,307	4,692,259	5,127,080
Dividend declared	2,409,529	4,388,282	1,872,843	3,457,556
Dividend paid during the year to NCI	(520,159)	(936,328)	-	-
Scrip dividend issued during the year to NCI	(16,431)	-	-	-
Dividend paid during the year to equity holders of the parent company	(1,377,415)	(3,457,556)	(1,377,415)	(3,457,556)
Reclassification to withholding tax payable	-	(752,683)	-	(431,003)
Scrip dividend issued	(495,427)	-	(495,428)	-
Statute barred unclaimed dividend written back	(24,439)	-	-	-
Unclaimed dividend (refunded to)/returned by registrar	282,377	(132,985)	121,620	(3,817)
At 31 December	5,451,070	5,193,036	4,813,878	4,692,259

31. Provisions

The Group	Provisions N'000	Legal claim N'000	Decommissioning liability N' 000	Total N' 000
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)
At 31 December 2021	3,000	89,948	16,643	109,591
Current	3,000	89,948	-	92,948
Non-current	-	-	16,643	16,643
At 1 January 2022	3,000	89,948	16,643	109,591
Unwinding of discount	-	-	5,046	5,046
Reclassification from other payables (a)	-	114,877	12,391	127,268
Derecognised on payment	-	(175,407)	-	(175,407)
At 31 December 2022	3,000	29,418	34,080	66,498
Current	3,000	29,418	-	32,418
Non-current	-	-	34,080	34,080

Decommissioning liability

UAC Restaurants has several leasehold properties converted to restaurants, which are required by agreements to be restored to original condition upon the expiration of the lease.

The provision for Decommissioning liability represents an estimate of the cost involved in restoring these leased properties at the expiration of the lease. The provision is an estimate based on management's re-assessment of the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rates and currency exchange rates amongst others were considered in this estimate. The discount rate for the unwinding of the discount on liability was determined using the incremental borrowing rate for leases of 18% (2021: 18%). 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 2022 N'000	2021 N'000
At 1 January 2022	89,948	89,948
Derecognised on payment (b)	(86,400)	-
At 31 December 2022	3,548	89,948
Current	3,548	89,948

(a) Reclassification from other payables

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

(b) Derecognition of provision

Derecognition of provision relates to dispute settlement amount of N86.4million paid by UAC of Nigeria PLC as final settlement for a dispute between the Company and a Counterparty that commenced in 2011.

Contingent liabilities

The Group is engaged in lawsuits that have arisen in the normal course of business. The estimated contingent liabilities arising from these pending litigations as at 31 December 2022 amounted to ₦3.37billion and ₦539million (2021: ₦3.48billion and ₦648million) for the Group and Company respectively. The Group and Company have assessed these claims and believe that no material loss will arise from them. Accordingly, no additional provision has been recognised in the financial statements.

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 2022 by the firm of QED Actuaries Nigeria Limited (FRC Registration Number: FRC/2018/00000012293). This actuarial report was signed by Actuary partner, H. Prinsloo (FRC Registration Number: FRC/2018/NAS/00000018473). 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	
	2022	2021
	N' 000	N' 000
Service cost	6,857	9,198
Interest cost	9041	7,111
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(2,232)	(28,755)
- Experience adjustments	2,442	7,432
	16,108	(5,014)

Movement in the present value of long service awards

	The Group	
	2022	2021
	N' 000	N' 000
Opening defined benefit obligation	72,296	94,403
Current service cost	6,857	9,198
Benefit paid	(20,282)	(9,661)
Interest cost	9,041	7,111
Actuarial (gains/losses)	210	(28,755)
	68,122	72,296

Actuarial assumptions

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

	Group	
	2022	2021
Key assumptions used:		
Discount rate	13.1%	13.1%
Inflation rate	9.0%	9.0%
Gift Benefit Increase Rate	9.0%	9.0%
Salary Increase Rate	6.0%	6.0%
Weighted duration of plan	6 years	6 years

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Demographic assumptions

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates on A67/70 tables published jointly by the Institute and Faculty of Actuaries in the UK.

31 December 2022	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%
31 December 2021					
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.

		2022	2021
		N' 000	N' 000
Base amount		68,122	72,296
Discount rate	+1%	64,649	68,970
	-1%	71,920	75,911
Future salary increase	+1%	71,159	75,405
	-1%	65,296	69,404
Mortality rate	+1%	67,902	75,405
	-1%	68,321	72,477
Benefit escalation rate	+1%	71,244	75,405
	-1%	65,230	69,404

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

33. Share Capital
Group and Company

	31 December 2022		31 December 2021	
	Number 000	Amount N' 000	Number 000	Amount N' 000
Authorised:				
Ordinary Shares of 50k each	2,926,131	1,463,065	3,000,000	1,500,000
Preference Shares of 50k each		-	400,000	200,000
Total authorised share capital	2,926,131	1,463,065	3,400,000	1,700,000
Issued and fully paid:				
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648
Scrip dividend shares*	44,835	22,417	-	-
Total called up share capital	2,926,131	1,463,065	2,881,296	1,440,648

Cancellation of unissued shares

On 02 July 2022, the Board of Directors, by a resolution, approved the allotment of 44,835,076 units of ordinary shares from the unissued capital of the Company at a nominal value of 50 kobo per ordinary share to 101 members who elected for new ordinary shares in the Company in lieu of dividend, subject to the registration and listing of said shares at the Securities and Exchange Commission and Nigerian Exchange Group.

Further to this resolution, the Board of Directors approved the cancellation of the remaining unissued shares (73,868,345 units of ordinary shares of 50 kobo each and 400,000,000 units of preference shares of 50 kobo each), in compliance with the provisions of Companies and Allied Matters Act 2020, Companies Regulations 2021 as it relates to unissued share capital, as well as the Corporate Affairs Commission circular dated 16th April 2021.

The share cancellation was approved and effected by the Corporate Affairs Commission on 21 July 2022.

The movement in authorised share capital is shown below

	31 December 2022		31 December 2021	
	Number 000	Amount N' 000	Number 000	Amount N' 000
Ordinary Shares				
Opening balance	3,000,000	1,500,000	3,000,000	1,500,000
Cancellation of unissued shares	(73,869)	(36,935)	-	-
Closing balance	2,926,131	1,463,065	3,000,000	1,500,000
Preference shares				
Opening balance	400,000	200,000	400,000	200,000
Cancellation of unissued shares	(400,000)	(200,000)	-	-
Closing balance	-	-	400,000	200,000

Scrip dividend shares*

On 02 July 2022, the Board of Directors, by a resolution, approved the allotment of 44,835,076 units of ordinary shares from the unissued capital of the Company at a nominal value of 50 kobo per ordinary share to 101 members who elected for new ordinary shares in the Company in lieu of dividend, subject to the registration and listing of said shares at the Securities and Exchange Commission and Nigerian Exchange Group. The scrip dividend shares were processed and credited to the CSCS depository accounts of the affected shareholders on 29 August 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.

Long term incentive plan reserve

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

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

Under the VCP, Participants will receive, in the form of ordinary shares in the Company, a proportion of the value delivered for shareholders over a five year-period, provided that the Company delivers a minimum total shareholder return ("TSR") of 18% per annum. Should this return be delivered, an incentive pot equal to 10% of the value created will be distributed to Participants.

Measurement of fair value

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

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

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

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

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

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

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

Expense recognized in profit or loss

The 2022 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

		Group		Company	
	Note	2022 N' 000	2021 N' 000	2022 N' 000	2021 N' 000
(Loss)/Profit before tax from continuing operations		(4,365,316)	4,108,373	730,708	2,487,246
Loss before tax from discontinued operations		6,508	(2,105)	-	-
Adjustment for net finance cost/(income) (excluding exchange differences)		2,411,355	264,579	(277,828)	(1,004,692)
Operating profit/(loss)		(1,947,453)	4,370,847	452,880	1,482,554
<i>Adjustments to reconcile operating profit/(loss) to net cash flows</i>					
Amortisation of intangible assets	8	206,739	33,208	7,721	3,144
Dividend income	6	(9,250)	(260,093)	(838,386)	(1,561,023)
Depreciation charge on property, plant and equipment	8	2,496,127	2,138,969	159,995	136,348
Reclassification of intangible asset	14	-	764	-	764
Depreciation charge on right of use asset	8	481,602	368,215	-	-
Write off of inventories to net realisable value	8	152,352	140,162	-	-
Expected credit loss on debt securities	7ii	(2,804)	(23,754)	(2,804)	(23,754)
Expected credit loss on related party receivables	7ii	(11,147)	(12,439)	(11,947)	(8,939)
Expected credit loss writeback on trade and other receivables	7i	167,311	81,527	-	10,296
Write back of expected credit loss on short term deposits	7ii	(149)	(29,386)	(149)	(3,688)
Effects of exchange rate changes on debt securities	19	(113,911)	(122,560)	(113,911)	(122,560)
Net fair value losses/(gains) on investment properties	15	806,374	(1,139,398)	806,374	(1,139,398)
Profit on sale of investment properties	7i	(458,049)	-	(458,049)	-
Unwinding of government grant	7i	(264,350)	-	-	-
Share of (profit)/loss of associate	18.1	(103,444)	895,436	-	-
Loss on lease terminated	21	-	(1,470)	-	-
Write-off of property, plant and equipment		125,938	902	153	901
Loss on liquidation of subsidiary	37c	-	-	19,812	-
Profit on deconsolidation of subsidiary	37c	(32,337)	-	-	-
Fair value gain on unbundling of UPDC REIT unit to shareholders	7i	-	(324,725)	-	(324,725)
Share based expense	8(f)	243,939	98,931	243,939	98,931
(Profit)/loss on sale of tangible PPE	7i	(15,459)	32,009	(2,335)	32,129
Write-off of intangible asset	7i	3,862	-	-	-
Profit on sale of non current asset held for sale	7i	-	(160,068)	-	-
Operating cash flows before movements in working capital		1,725,892	6,087,077	263,293	(1,419,020)
<i>Movements in working capital:</i>					
Changes in inventories	22(a)	11,664,773	(16,230,614)	-	3,602
Changes in trade and other receivables and prepayments	23	2,279,782	(5,256,296)	236,320	(3,450,151)
Changes in finance lease receivables		2,700	-	-	-
Changes in contract liabilities		(113,419)	1,084,667	(44,927)	(63,715)
Changes in trade and other payables	27(a)	2,260,836	181,612	189,830	(211,546)
Changes in employee benefits		(4,174)	(22,107)	-	-
Changes in liabilities held for sale/distribution	37c	(20,910)	-	-	-
Net movement in provision		(48,139)	(88,784)	(86,400)	-
Changes in right of return asset		(1,356)	11,003	-	-
Changes in refund liability		1,234	(13,505)	-	-
Net cash used in operations - continuing operations		17,747,219	(14,246,948)	558,116	(5,140,829)
Net cash from operations - discontinued operations		-	-	-	-
Net cash generated from/(used in) operations		17,747,219	(14,246,948)	558,116	(5,140,829)

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) amounted to N782 million (2021: N649 million).

This has been included in the revenue of the Company.

	Company	
	2022	2021
	N' 000	N' 000
Grand Cereals Limited	362,762	328,454
Chemical & Allied Products PLC	188,740	158,591
MDS Logistics Ltd	81,393	15,694
Portland Paints & Products Nigeria PLC	-	11,460
Livestock Feeds PLC	149,239	134,753
	782,134	648,952

(b) Rental income

The Company leases properties to its subsidiaries and associates. Total rental income earned from subsidiaries and associates is shown below

	Company	
	2022	2021
	N' 000	N' 000
UPDC Plc	12,007	9,420
UAC Restaurants Ltd	1,568	140
Grand Cereals Limited	1,600	1,451
UAC Foods Ltd	8,436	8,088
	23,611	19,099

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

	Company	
	2022	2021
	N' 000	N' 000
Receivable/(Payable):		
Subsidiaries		
Chemical & Allied Products PLC	310,277	151,402
Grand Cereals Limited	440,784	274,709
UAC Restaurants Limited	211,506	59,062
Portland Paints & Products Nigeria PLC	-	99,534
Livestock Feeds PLC	68,244	23,908
UAC Foods Ltd	167,638	105,770
	1,198,449	714,385
Associates		
UPDC PLC	27,927	30,290
MDS Logistics Ltd	81,303	17,997
	109,230	48,287
	1,307,679	762,672

(d) Intercompany loan

	Company	
	2022	2021
	N' 000	N' 000
UPDC PLC	2,146,881	2,668,944
UAC Foods Ltd	-	1,000,000
UAC Restaurants Limited	1,113,617	528,950
	3,260,498	4,197,894

All trading balances will be settled in cash.

The expected credit loss relating to related party receivables as at 31 December 2022 was N5,485,000 (2021: N16,632,000) and the net credit to the profit or loss in respect of doubtful related party receivables was N11,147,000.

(e) Key Management Personnel

Total transactions with key management personnel amounted to Nil during the year (2021:Nil).

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

36. Capital commitments

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Capital expenditure authorised	-	7,545,120	-	121,661
Capital expenditure authorised & contracted	-	1,436,567	-	74,729

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 and investment property of the Packaged Food & Beverages segment was presented as non-current asset held for sale. In September 2022 the sum of N4,144,000 was reclassified to property, plant and equipment and the carrying value of the asset following the transfer is N541,850,000 (2021: N545,993,000). Despite the inability to complete the sale of the asset within 12 months, management is still committed to the disposal of the asset hence the continual classification as asset held for sale.

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.

Movement in non-current assets held for sale/distribution

	2022	2021
	N'000	N'000
Opening balance	545,993	265,496
Transfer from investment in associates (UPDC REIT)	-	3,571,660
Transfer (to)/from PPE	(4,144)	(13,155)
Transfer from Investment property		303,712
Cost of asset disposed	-	(10,060)
Distribution of units held in UPDC REIT to Shareholders	-	(3,571,660)
Closing balance	<u>541,850</u>	<u>545,993</u>

37b. Liabilities classified as held for distribution to owners

UPDC Real Estate Investment Trust

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

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

37c. Deconsolidation of UNICO CPFA Limited (UNICO)

Members of UNICO CPFA at Extra-Ordinary General Meeting approved voluntary winding up of company on February 6, 2019 and the notice dated 23 July, 2020 was published in the Government Gazette No116, Volume 107. In September 2022, UAC received the sum of N110 million as its share of capital contribution in UNICO after settling all other creditors. The entity, which was previously classified as a disposal group held for distribution to owners, was deconsolidated when the Form 72 for liquidation was filed with the Corporate Affairs Commission for approval.

UAC of Nigeria PLC**Notes to the consolidated and separate financial statements****for the year ended 31 December 2022****Net assets of UNICO at deconsolidation**

The net assets of UNICO at the point of liquidation/deconsolidation comprise of:

	Group 2022 N'000
Property, plant and equipment	2,920
Deferred tax asset	945
Cash and cash equivalents	67,817
Trade and other payables	(21,184)
Net assets at deconsolidation	50,498

Gain on liquidation

The group recognised a gain on liquidation (Company: loss on liquidation) for the year ended 31 December 2022 as shown below

	Group 2022 N'000	Company 2022 N'000
Investment in UNICO	-	(130,000)
Consideration receivable/received on liquidation of UNICO	57,285	110,188
Share of net assets of UNICO	(24,948)	-
Gain/(loss) on liquidation	32,337	(19,812)

Changes in asset held for sale/distribution in the cashflow statement

	Group 2022 N'000
Changes in asset held for sale/distribution	3,865
Impact of deconsolidation of UNICO	(3,865)
	-

Changes in liabilities of disposal group classified as held for sale/distribution in the cash flow statement

	Group 2022 N'000
Changes in liabilities of disposal group classified as held for sale/distribution	(42,094)
Impact of deconsolidation of UNICO	21,184
	(20,910)

	2022 N'000	2022 N'000	2021 N'000	2021 N'000
Assets				
Non-current assets:				
Property, plant and equipment	-	-	2,920	2,920
Deferred tax asset	-	-	945	945
Total assets	-	-	3,865	3,865
Liabilities				
Current liabilities				
Trade and other payables	21,184	21,184	34,090	34,090
Current income tax liabilities	-	-	8,004	8,004
Total liabilities	21,184	21,184	42,094	42,094

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

	UNICO 2022 N'000	TOTAL 2022 N'000	UNICO 2021 N'000	TOTAL 2021 N'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Selling and distribution expenses	-	-	-	-
Administrative expenses	(25,829)	(25,829)	(2,105)	(2,105)
Operating profit	(25,829)	(25,829)	(2,105)	(2,105)
Finance income	-	-	-	-
Finance cost	-	-	-	-
Loss before tax	(25,829)	(25,829)	(2,105)	(2,105)
Tax expense	-	-	-	-
Loss after tax	(25,829)	(25,829)	(2,105)	(2,105)
Gain on deconsolidation of UNICO	32,337	32,337	-	-
Loss from discontinued operations	6,508	6,508	(2,105)	(2,105)
Other Comprehensive income				
Net changes in fair value of financial assets	-	-	-	-
Total comprehensive (loss)/income for the year net of tax	6,508	6,508	(2,105)	(2,105)
Other Comprehensive income				

Cashflows from discontinued operations:

The net cash flows incurred are, as follows:

	UNICO 2022 N'000	TOTAL 2022 N'000	UNICO 2021 N'000	TOTAL 2021 N'000
Operating	6,508	6,508	(2,105)	(2,105)
Investing	-	-	-	-
Financing	-	-	-	-
Net cash inflows/(outflows)	6,508	6,508	(2,105)	(2,105)

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 material non-controlling interests

- (a) Chemical and Allied Products PLC (CAP) – Chemical and Allied Products PLC is a company involved in the manufacture and sale of paints. The company's principal place of business is Lagos State, Nigeria. The non controlling interests are 16,611 shareholders who hold a 42.15% (in aggregate) stake in the company. The profit allocated to NCI for the year ended 31 December 2022 was ₦1billion (2021: ₦514million) and dividends paid to NCI in 2022 was ₦428million (2021: ₦713million). As at 31 December 2022, the accumulated NCI in the subsidiary was ₦2.4billion (2021: ₦1.8billion).
- (b) Grand Cereals Limited (GCL) – Grand Cereals Limited is a company involved in the manufacturing and sale of animal, poultry and fish feeds, edible oils and its by-products, maize grits and ready-to-eat breakfast cereals. The company's principal place of business is Plateau State, Nigeria. The non controlling interests hold 28.57% (in aggregate) in the company. The loss allocated to NCI for the year ended 31 December 2022 was ₦1.3billion (2021: profit of ₦117million) and dividends paid to NCI in 2022 was ₦109million (2021: ₦218million). As at 31 December 2022, the accumulated NCI in the subsidiary was ₦1.2billion (2021: ₦2.6billion).
- (c) Livestock Feeds PLC (LSF) – Livestock Feeds PLC is a company involved in the manufacturing and sale of animal feeds and concentrates. The company's principal place of business is Lagos State, Nigeria. The non controlling interests are 19,821 shareholders who hold a 26.71% (in aggregate) stake in the company. The loss allocated to NCI for the year ended 31 December 2022 was ₦220million (2021: profit of ₦115million) and no dividend was paid (2021: Nil). As at 31 December 2022, the accumulated NCI in the subsidiary was ₦88million (2021: ₦307million).
- (d) 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 State, 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 2022. The loss allocated to Non-Controlling Interest (NCI) for the year 2022 is ₦406million (2021: Loss of ₦252million) and no dividend was paid. As at 31 December 2022, the accumulated NCI in the subsidiary was a net loss of ₦483.5 million (2021: net loss of ₦77 million).

Summarised financial information

31-Dec-22	CAP N'000	GCL N'000	LSF N'000	UACR N'000
Non-current assets	2,139,892	11,175,848	1,102,636	2,222,107
Current assets	11,266,313	18,337,577	6,355,069	904,059
Current liabilities	6,470,056	16,532,258	5,777,448	1,197,893
Non-current liabilities	336,547	2,303,344	-	2,914,399
Revenue	19,208,470	49,529,212	16,410,221	3,075,255
(Loss)/Profit before tax	3,444,212	(6,081,408)	(781,393)	(813,723)
Total comprehensive (loss)/income	2,376,209	(4,546,994.00)	(822,219)	(829,578)

31-Dec-21	CAP N'000	GCL N'000	LSF N'000	UACR N'000
Non-current assets	1,599,110	11,052,931	819,609	506,315
Current assets	10,516,795	23,036,774	819,609	932,574
Current liabilities	7,532,448	15,834,264	8,283,257	669,325
Non-current liabilities	173,683	2,682,893	42,004	926,108
Revenue	14,207,818	48,070,784	14,640,268	2,208,183
(Loss)/profit before tax	1,691,029	630,251	565,130	(514,416)
Total comprehensive (loss)/income	1,122,567	409,969	429,693	(514,415)

39. Events after the reporting period

There were no events occurring after the reporting period that could have a material effect on the state of affairs of the Group or Company as at 31 December 2022 which have not been adequately provided for or disclosed in these financial statements.

40. Fair Value MeasurementsFair 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 2022. 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 derivelevel 3 fair valuesInvestment 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 2022 using:

	Quoted prices in		
	active markets	Significant other	Significant
	for identical	observable	unobservable
	assets (Level 1)	inputs (Level 2)	inputs (Level 3)
<i>all figures in N'000 unless otherwise stated</i>			
Recurring fair value measurements	N'000	N'000	N'000
<u>Investment Property</u>			
UACN Company	-	-	2,435,360
Group			2,435,360

Fair value of investment property (continued)

Fair value measurements as at 31 December 2022 using:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>all figures in N'000 unless otherwise stated</i>			
Recurring fair value measurements	N'000	N'000	N'000
Investment Property			
UAC Company	-	-	2,435,360
Group			2,435,360

Reconciliation of level 3 fair values

2021

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

Reconciliation of level 3 fair values

2022

	Investment Property (Group) N'000	Investment Property (Company) N'000
Opening balance	3,470,685	3,470,685
Disposals	(228,951)	(228,951)
Net loss from fair value adjustment on investment property	(806,374)	(806,374)
Closing Balance	2,435,360	2,435,360

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 Robert Offor & Co (FRC/2015/00000010621) carried out the valuation exercise of investment properties as at 31 December 2022 (2021: Ibukun Efuntayo & Co (FRC/2013/00000000001771)). The valuation report for 2022 was signed by the firm's managing partner Mr. Robert Offor (FRC/2015/NIESV/00000010621) (2021: ESV Emmanuel Efuntayo (FRC/2013/NIESV/00000003663)).

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 2022	Fair value as at 31 December 2021	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment Property - UAC Company	2,435,360	3,470,685	Fair Market Value Approach	The price range used per square metre are N2,108 - N67,415,730 (2021: N1,822.5- N163,472.04) 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

UAC of Nigeria PLC

Other national disclosures

Shareholding Structure/Free Float Status

Shareholding Structure-Free Float Status		UAC of Nigeria Plc		
Company Name:		Main Board		
Board Listed:		31-Dec		
Year End:		31-Dec-22		
Reporting Period:		31-Dec-22		
		31-Dec-22		31-Dec-21
Share Price at end of reporting period:		10.25		9.5
Description	Units	Percentage	Units	Percentage
Issued Share Capital	2,926,131,655	100%	2,881,296,579	100%
Substantial Shareholdings (5% and above)				
Themis Capital Management	586,289,403	20.04%	496,128,943	17.22%
Dalio Property Development Limited	172,693,669	5.90%	152,380,473	5.29%
Fund, LP - Main NTC Kuroto	147,246,159	5.03%	-	-
Total Substantial Shareholdings	906,229,231	30.97%	648,509,416	22.51%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Daniel Agbor (Indirect)	35,000,000	1.20%	35,000,000	1.21%
Mr. Folasope Aiyesimoju (Direct)	46,999,122	1.61%	46,338,731	1.61%
Mr. Folasope Aiyesimoju (Indirect)	-	0.00%	55,100,000	1.91%
Mr. Folasope Aiyesimoju (Indirect - representing AM&P Advisory services)	70,780,314	2.42%	78,653,201	2.73%
Mr. Folasope Aiyesimoju (Indirect - representing Themis Capital Management)	-	-	-	-
Dr. Vitus Ezinwa (Direct)	1,563,800	0.05%	1,485,174	0.05%
Mrs. Babafunke Ijaiya-Oladipo (Direct)	250,326	0.01%	237,740	0.01%
Mr. Babatunde Kasali (Direct)	10,000	0.00%	10,000	0.00%
Mr. Khalifa Biobaku (Indirect - representing Dalio Property Development Limited) (a)	-	-	-	-
Dr. Umaru Alka (Direct) (b)	NLD	NLD	8,109	0.00%
Mrs. Suzanne Iroche	-	-	-	-
Mr. Bolaji Odunsi	-	-	-	-
Mr. Karl Toriola	-	-	-	-
Total Directors' Shareholdings	154,603,562	5.28%	216,832,955	7.53%
Other Influential Shareholdings				
Cardinalstone Account CPM	105,353,794	3.60%	-	-
UBA Nominee/Tangerine Life Insurance Investment (c)	95,783,885	3.27%	95,783,885	3.32%
Total Other Influential Shareholdings	201,137,679	6.87%	95,783,885	3.32%
Free Float in Units and Percentage	1,664,161,183	56.87%	1,920,170,323	66.64%
Free Float in Value	₦ 17,057,652,125.75		₦ 18,241,618,068.50	
Declaration:				
UAC of Nigeria PLC with a free float percentage of 56.45% as at 31 December 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

NLD - "No longer a director"

- (a) Mr. Khalifa Biobaku was appointed to the Board with effect from 29 March 2022
- (b) Dr. Umaru Alka retired from the Board with effect from 27 June 2022
- (c) As at December 2021, Tangerine Life Insurance Investment was Metropolitan Life Insurance Nig Ltd

Other national disclosures

Statement of Value Added
For the year ended 31 December 2022

	Group				Company			
	2022		2021		2022		2021	
	=N=Million	%	=N=Million	%	=N=Million	%	=N=Million	%
Turnover	109,270		101,377		1,009		877	
Share of associated companies' profits	103		(895)		-		-	
Dividend income	9		260		838		1,561	
Interest received & other income	2,191		3,634		1,822		2,685	
Cost of materials and services:								
Imported	(14,142)		(14,469)		(111)		(78)	
Local	(83,079)		(69,049)		(636)		(921)	
Value Added	14,352	100	20,858	100	2,922	100	4,124	100
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	11,059	77	9,632	46	1,369	47	1,406	34
To pay government								
Taxes	(823)	(6)	1,440	7	49	2	143	3
To pay providers of capital								
Interest charges	3,533	25	1,568	8	655	22	92	2
To pay shareholders								
Dividend	1,873	13	3,458	17	1,873	64	3,458	84
Retained for replacement of assets and business growth:								
Depreciation and Amortisation	2,703	19	2,172	10	168	6	139	3
Non-controlling interest	(914)	(6)	780	4	-		-	
To (deplete)/augment reserves	(3,079)	(21)	1,807	9	(1,191)	(41)	(1,113)	(27)
	14,352	100	20,858	100	2,922	100	4,124	100

Value added represents the additional wealth which the Group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creation of additional wealth.

Other national disclosures

Group five-year financial summary Year ended 31 December 2022

Naira millions	2018	2019	2020	2021	2022
Funds Employed					
Equity attributable to equity holders of the Company	57,885	49,521	52,006	45,981	41,964
Non-controlling interest	16,189	10,412	8,670	4,857	3,317
Creditors due after one year	9,212	6,522	6,775	5,349	5,980
Provisions	104	96	192	93	32
	83,390	66,551	67,643	56,280	51,292
Employment of funds					
Property, plant and equipment, Intangible assets, Investment Property and Other non-current assets	30,564	18,920	21,012	22,224	25,043
Long term investments	20,139	2,021	15,381	11,238	11,259
Net current (liabilities) / assets	24,353	18,720	26,221	13,650	4,724
	75,056	39,661	62,614	47,112	41,027
Capital expenditure	2,926	2,710	4,496	3,466	5,981
Depreciation	2,280	1,926	2,074	2,172	2,703
Results					
	2018	2019	2020	2021	2022
			Restated		
Turnover	70,474	79,202	81,358	101,377	109,270
Profit from operations	3,920	5,666	3,597	5,014	(2,384)
Share of profit of associated companies	-	-	973	(895)	103
Taxation	(1,838)	(2,111)	(1,440)	(1,440)	823
Profit/ (loss) after tax	(6,045)	(5,308)	2,587	2,587	(3,993)
Profit/ (loss) for the year retained	(7,918)	(7,152)	2,363	(1,651)	(3,081)
Share prices : High (kobo)	985	960	1,105	1,145	1,450
Low (kobo)	975	450	540	710	840
Market capitalisation (period-end)	28,093	24,779	20,889	27,372	29,993
Earnings per share (kobo)	(209)	(183)	62	63	(107)
Earnings per share (kobo) - adjusted	(209)	(183)	62	63	(107)
Net assets per share (kobo)	2,571	2,080	2,106	1,764	1,547

Other national disclosures

Company five-year financial summary Year ended 31 December 2022

Naira millions	2018	2019	2020	2021	2022
Funds Employed					
Equity attributable to equity holders of the Company	40,132	39,337	36,680	31,805	31,287
Creditors due after one year	74	25	455	456	315
Provisions	90	90	90	90	4
	40,296	39,452	37,225	32,351	31,605
Employment of funds					
Property, plant and equipment	714	699	888	933	864
Long term investments	21,208	14,564	14,616	18,536	19,037
Net current (liabilities) / assets	15,408	16,182	7,863	(2,254)	-2,111
	37,330	31,445	23,367	17,215	17,789
Capital expenditure	244	177	215	160	3,466
Depreciation	142	146	138	136	160
Results					
	2018	2019	2020	2021	2022
			Restated		
Turnover	681	759	758	877	1,009
Profit from operations	1,278	(667)	(3,497)	1,481	442
Taxation	(587)	(490)	(143)	(143)	(49)
Profit after tax	3,609	1,484	2,345	2,345	682
Dividend - proposed	(1,844)	(288)	(3,457)	(1,873)	(644)
Profit for the year retained	1,736	(360)	(1,113)	(1,113)	(1,191)
Share prices : High (kobo)	985	960	1,105	1,145	1,450
Low (kobo)	975	450	540	710	840
Market capitalisation (period-end)	28,093	24,779	20,889	27,372	29,993
Dividend per share (kobo)	64	10	120	65	22
Dividend per share (kobo) - adjusted	64	10	120	65	22
Earnings per share (kobo)	140	52	81	81	24
Earnings per share (kobo) - adjusted	140	52	81	81	24
Net assets per share (kobo)	1,380	1,365	1,273	1,104	1,069
Dividend cover (times)	2.2	5.2	0.7	1.2	1.1