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COMPANY PROFILE

INTRODUCTION

Union Diagnostic and Clinical Services Plc. (UDCS Plc.) is a leading indigenous and homegrown company in the medical diagnostics and healthcare sector with a deep knowledge of the Nigerian terrain owned by over ten thousand Nigerians and offering full and comprehensive services in diagnostic medicine since 1994 with capacity for conducting services ranging from ***Sonology including Colour Doppler imaging, X-ray imaging, Electrocardiography, Endoscopy, Computed Tomography (CT Scan), Magnetic Resonance Imaging (MRI), Echocardiography, Electrocardiography (ECG), Electroencephalography (EEG), Electromyography (EMG), Mammography, Pulmonology (Spirometry), Audiometry, Cytology, Toxicology, DNA Testing to Laboratory Services including Immuno Assay, Medical Check Up Programmes etc.***

BRIEF HISTORY

Our company commenced operations at Tejuosho Street Surulere, Lagos in 1994 under the name Tejuosho Scan Centre. It was changed to Tejuosho Diagnostic & Clinical Services Ltd in 2005. It grew rapidly over the past years to become the largest and most comprehensive diagnostic company in Nigeria.

An expansion programme was conceptualized in 2007 with the objective to be present in all states of the federation and the capital territory (Abuja). At present, we have **Twenty (21) branches in Thirteen (13) states** of the federation. Simultaneously, a rebranding project was embarked upon and the name was changed to Union Diagnostic & Clinical Services Ltd. The same year, it became a public liability company (Plc) with over 10,000 shareholders. It was subsequently listed in the medical services category of the Nigeria Stock Exchange (NSE).

Our current line of business includes referrals from hospitals, clinics and other laboratories for diagnostic tests and supply of medical equipment, laboratory reagents and consumables from reputable manufacturers through our locations country wide.



MISSION STATEMENT

To provide diagnostic and Clinical Services comparable to best practices around the world

VISION STATEMENT

To be the most efficient and effective diagnostic firm in Africa, satisfying diverse medical needs



HEADQUARTERS AND BRANCH LOCATIONS

LAGOS STATE 1. V/Island: No.5, Eletu Ogabi Street Off Adeola Odeku Street Victoria Island 2. Yaba: No.37, Tejuosho Street Yaba, Lagos 3. Ikeja: 7/8 Bull Plaza Conoil Building Opposite LASUTH (Ayinke House) General Hospital, Ikeja 4. Ikotun: No.5, Idimu Road Ikotun 5. Ikorodu: No.1, Lagos Road, Opp. AP Petrol Station, Ikorodu Garage Roundabout Ikorodu 6. Ajegunle: No.113, Baale Street Near Ajeromi/Ifelodun L.G.A Barracks Bus/Stop 7. Agege: 67a, Old Abeokuta Motor Rd., Beside Oando Petrol Station Agege 8. Badagry 103 hospital Road, Before Badagry General Hospital, Badagry, Lagos OGUN STATE 9. 37, Nawair-ud-Deen Isabo Rd Opp. Rev. Kuti mem.Gram. Sch Oke- Ijeun. Abeokuta. KANO STATE	RIVER STATE 10. Port Harcourt: 2 Finima Street Old GRA, Opp. Leventis B/Stop Port Harcourt ONDO STATE 11. Akure: 31 Oluwatoyin Street Opposite Kikiowo Shopping Complex, Akure PLATEAU STATE 12. Jos: No.12, Jingre Road Murtala Mohammed Way Jos BORNO STATE 13. Kumshe Ward Opp. Lamisula Police Station Maiduguri KADUNA STATE 14. NK6, Junction Road By Arochukwu Road Kaduna KWARA STATE. 15. 163, Ibrahim Taiwo Road, Ilorin. OSUN STATE. 16. 4c Fagbewesa Street(former Agric. Bank Building) Osogbo. NIGER STATE 21. No. 1 Yoruba Road Minna.
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17.	No.7 Zaria Road By Daugi Roundabout Kano	
18.	34/35 Airport Road. Opp. Baba Alhmadu Sec.School. Kano.	
OYO STATE		
19. Ibadan:	No.9, Elizabeth Road Isolak Building Mokola Roundabout Beside Agip Petrol Station (Opp. Group Medical Practitioners) Ibadan	
EDO STATE.		
20.	75, Sapele Road Benin.	



DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Directors	Ambassador B.A. Adeyemi (Rtd)	-	Chairman
	Dr. A.O. Akinniyi	-	Managing Director / CEO
	Mr. A. Akinkoye	-	Non - Executive Director.
	Mr. T. Nwozor	-	Non - Executive Director.
	Dr. A. Akinmolayan	-	Non - Executive Director.

Company's secretary / Legal Adviser: - Samuel Iroye Esq.

Registered Office: 37, Tejuosho Street, Surulere – Lagos
P.O. Box 3830, Agege - Lagos
Tel: 08021000019, 08188000013
Website: www.uniondiagnostic.com.ng
E-mail: info@uniondiagnostic.com.ng

Registration No: 352457

Auditors: Ejigeme Andrew & Co. (Chartered Accountants)
Tafawa Balewa Square Race Course, Lagos

Registrars: First Registrars and Investor Services Limited
Plot 2, Abebe Village Road, Iganmu.
P.M.B. 12692, Marina Lagos
Tel: (01)5456142, 5851418
Website: www.firstregistrarsnigeria.com

Bankers: First Bank of Nigeria Limited
Zenith Bank Plc
WEMA Bank



PROFILE OF DIRECTORS

Ambassador Bariyu A. Adeyemi (Chairman) BA

A Retired Ambassador of Nigeria to the United Nations; Sole Federal Government Representative for Resolution of the Darfur Crisis in Sudan; Served in several Nigerian missions abroad and on the Board of several other Companies.

Dr. Olusola Akinniye (MD/CEO) MBBS, MBA, FWACS

A Consultant Gynecologist with over 25 years' experience in medical practice. He won the Prize for overall best candidate in Obstetrics and Gynecology in West Africa in the West Africa College of Surgeons examinations 2006. He was also a member of the four man research team that won the International Journal of Gynecology and Obstetrics (IJGO) prize paper award for the best clinical research from a developing country in the year 2005. He is a member of the renowned American Institute of Ultrasound in Medicine (AIUM) and a Fellow of the Nigerian Institute of Management (NIM)

Mr. Abiodun O. Akinkoye BSc, MBA

An astute businessman who sits on the board of several companies. He is the Managing Director/CEO of Merryborne Investment Limited.



Tony Nwozor, BSc., MBA, CEP

He is a Fellow of Chartered Institute of Stockbrokers (CIS), an Investment Banker and astute Securities Trader on the Floor of the Nigerian Stock Exchange. He worked with City - Code Trust Limited from 1991 to April, 1997 where he rose to the position of a General Manager. He joined Merchant Bank of Commerce (MBCOM) in 1997 and was later seconded to BGL Limited in November, 1997. He was the Managing Director and CEO of BGL Securities Limited until late 2012. He is currently the Executive Chairman of Stockbased Securities Limited.

Dr. Koleola Akinmolayan, MBCHB

He is a seasoned medical Doctor and an astute businessman who sits on the board of several companies. He is the Managing Director/CEO of Ideal Eagles Limited and the Clinical Coordinator - Professional Medical Centers –Detroit Michigan, USA



RESULT AT A GLANCE

Audited Financial Statement for the year ended 31st December, 2020
FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020	2019
	=N=	=N=
Revenue	1,422,621,122	1,349,168,159
Profit/(loss) before Taxation	29,276,802	88,110,015
Income tax expenses	8,609,284	25,910,076
Profit/(loss) after Taxation	20,667,518	62,199,939
Share Capital	1,776,569,264	1,776,569,264
Shareholder's Fund	4,558,300,402	4,537,632,884
Per share data		
EPS (kobo)	1.16K	1.75K



DIRECTORS' REPORT

The Directors hereby present their annual report to members of Union Diagnostic & Clinical Services Plc ("the Company") together with the financial statement, Auditors' report for the year ended 31st December 2020.

1. Legal Status

The Company which commenced business in 1994 was incorporated on 6th March 1999 under the name of Tejuosho Diagnostic and Clinical Services Ltd. The name of the Company was changed to Union Diagnostic and Clinical Services Ltd on 1st of August 2007 and became a Public Limited Company on 22nd April 2008.

2. Principal Activities

During the year under review, the principal activities of the Company remained diagnostic and clinical services.

3. Review of Operations

The Company attracted patronage in 2020 to reinforce its being the reference point and market leader in the diagnostic sector. This is due to continuous improvement in our delivery of world class services and the branch expansion programme.

The summary of the operating results are

	2020	2019
Turnover	1,422,621,122	<u>1,349,168,159</u>
Profit before Taxation	29,276,802	88,110,015
	-----	-----
Taxation	8,609,284	25,910,076
Profit after Taxation	<u>20,667,518</u>	<u>62,199,939</u>

4. Board of Directors

The Directors have varied backgrounds in their respective successful professional fields namely, economics, accounting, medicine, banking, management, public administration etc

The Board is at present made up of One (1) executive Directors and Four (4) Non-Executive Directors (including the Chairman). The list of the current Directors of the Company is as published on page 6 of this Annual Report and Accounts. The Board meets regularly and can convene ad-hoc meetings whenever the need arises.

In accordance with Article 65 of the Company's Article of Association, one third of the Directors would retire at this general meeting and seek reelection.

5. Responsibilities of Directors

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, the Directors are responsible for the preparation of the Annual Financial Statements, ensuring that the statement of financial position gives a true and fair view of the state of affairs of the Company and the statement of comprehensive income account gives a true and fair view of the profit or loss of the Company for the financial year.



The Directors responsibility also includes ensuring that

- Adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities.
- A Proper accounting records are maintained.
- Applicable accounting standards are followed.
- Suitable accounting policies are used and consistently applied.
- The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the company will continue in business.

6. Directors' Interest in Share

Directors' interest in the issued share capital of the company as recorded in the Register of members and notified by the Directors for the purpose of Section 275 of the Companies and Allied matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, is as shown below;

	As at Dec, 2020		As at Dec, 2019	
	Direct	Indirect	Direct	Indirect
Amb B. A. Adeyemi	1,956,000	-	1,956,000	-
Dr. Olusola Akinniyi	233,462,131	-	233,462,131	-
Mr. Abiodun O. Akinkoye (see Note)	1,272,000	-	1,272,000	-
Mr. Tony Nwuzor	-	-	-	-
Dr. Koleola Akinmolayan	-	-	-	-

7. Directors' Interest in Contract

None of the Directors has given notice for the purposes of Section 277 of the Companies and Allied matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, that he has any interests in any specified company which was involved in a contract with the company during the year under review.

8. Analysis of Share Holding

The issued and fully paid up share capital of the company as at 31st December 2020 is 3,553,138,530 ordinary shares of 50kobo each. The range of shareholding as at 31st December 2020 is as follows:-

RANGE	No of Holders	% Holders	Units	% Units
1 - 1000	331	3.17	147,119	0.00
1001 - 5000	560	5.36	1,637,885	0.05
5001 - 10000	474	4.53	3,843,150	0.11
10001 - 50000	5,304	50.72	113,804,189	3.20
50001 - 100000	1,421	13.59	96,625,247	2.72
100001 - 500000	1,921	18.37	362,583,626	10.20
500001 - 1000000	239	2.29	161,359,063	4.54
1000001 - 5000000	177	1.69	303,987,778	8.56
5000001 - 10000000	13	0.12	90,904,901	2.56
10000001 - 50000000	9	0.09	133,892,650	3.77
50000001 - 100000000	1	0.01	57,904,734	1.63
100000001 - 3553138528	7	0.07	2,226,448,186	62.66
	10,457	100.00	3,553,138,528	100.00



9. Share Capital History.

Authorised			Issued & Fully Paid		
Date	Increase	Cumulative	Increase	Cumulative	Consideration
1999	-	500,000	-	500,000	Cash
2005	385,044,000	385,544,000	284,544,000	285,044,000	Cash
2005	-	385,544,000	5,046,100	290,090,100	Cash
2007	615,455,500	1,000,499,500	94,946,489	385,036,590	Bonus
2007	1,244,501,000	2,250,000,000	-	-	-
2008	-	2,250,000,000	1,095,439,297	1,480,474,387	Cash
2009	-	2,250,000,000	296,094,877	1,776,569,264	Bonus

10. Substantial Interest in Shareholding.

According to the register of members, the following persons held 5% or more of the issued share capital of the company as at 31st December 2020

Shareholders	No of Shares	%	Representation on Board
LifeCare Partners Ltd.	1,038,000,000	29.21	Amb Bariyu Adeyemi
Cedar Advisory Partners Limited	711,916,612	20.04	Mr. Tony Nwozor
Dr. Olusola Akinniyi	233,462,131	6.57	

There is no other shareholder aside the above listed four shareholders that held 5% or more of the issued and fully paid share capital of the company.

11. Donations

In accordance with section 38 (2) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

12. Fixed Assets

Movement in fixed assets during the year is shown on page 37. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statement.



13. Post Balance Sheet Events

There are no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31st December 2020 and the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements.

14. Acquisition of Own Share

The Company did not purchase any of its own shares during the year under review.

15. Employment and Employees

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self development.

Employee Involvement and training

The Company keeps the employees informed as much as possible regarding the Company's performance and usually seeks their views whenever practicable on matters which affect them as employees.

Professional and technical expertise is the major assets of the Company and the Company is committed to invest in their future development. The Company believes strongly that the employees must not only be enabled to perform their day to day job, but their potentials must be unlocked to make it possible for them to unleash energy for uncommon results to achieve business goals.

Trainings are carried out at various levels both locally and outside Nigeria to expose them to best practices and improve knowledge transfer. Regular routine meetings are put in place to ensure exchange of ideas between staff and management through committees, Briefing sessions, team work and Staff meetings.

Health, safety at work and welfare of employees

The Company ensures that our work environment is safe and clean. Employees enjoy free diagnostic and clinical services at all our branch locations which are supervised by full time Medical Doctors and qualified Nurses. Incentive schemes designed to meet the circumstances of each individual are implemented whenever appropriate and some of these include bonus, salary review, promotion, status/official car and profit sharing.

16. Audit Committee

The Board has proposed as part of the agenda for this meeting to elect members of the Audit committee which will comprise equal number of Directors and shareholders pursuant to section 359(4) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004. The functions of the audit committee are as contained in s. 359 (6) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004.

17. Auditors

In accordance with section 357 (2) of the Companies and Allied matters Act, Cap C20, Laws of the Federation of Nigeria 2004, Messrs Ejigeme Andrew & Co having indicated their willingness to continue in office and will continue in to serve as Auditors to the Company.

18. Unclaimed Dividend.

There is unclaimed Dividend amount of Fourteen Million, three hundred and fourty-seven thousand, one hundred and eighty-two naira and eighty-six Kobo (N14, 347,182.86) in total as at 31st December 2020.



19. In compliance with the Securities and Exchange Commission's rule, management had put in a complaint management policy on how to resolve complaints from shareholders and investors. In like manner the company had put in place as well, Securities Trading policy in compliance with Rule 17.15 Disclosure of Dealings in Issuers' shares, Rules of the Exchange 2015 and the Directors have been in compliance with the rules.

Shareholding Structure/Free Float Status

Shareholding Structure/Free Float Status

Description	31-Dec-20		31-Dec-19
	Unit	Percentage	Unit
Issued Share Capital	3,553,138,528	100%	3,553,138,528
Substantial Shareholdings (5% and above)			
Dr. Olusola Akinniyi	233,462,131	6.57%	233,462,131
Merrybome Investment Limited	0	0.00%	272,997,974
Foyin Chemist And Stores	0	0.00%	348,000,000
Senior Design Limited	0	0.00%	453,798,638
Cedar Advisory Partners Limited	711,916,612	20.04%	0
Lifecare Partners Limited	1,038,000,000	29.21%	498,000,000
Total Substantial Shareholdings	1,983,378,743	55.82%	1,806,258,743
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests			
Akinkoye Abioduns (Direct)	1,272,000	0.04%	1,272,000
Amb. B. A. Adeyemi	1,956,000	0.06%	1,956,000
Dr. Olusola Akinniyi (Excluded because its already in Sbstantial Shareholding)			
Total Directors' Shareholdings	3,228,000	0.09%	3,228,000
Other Influential Shareholdings			
Total Other Influential Shareholdings	0	0.00%	0
Free Float in Units and Percentage	1,566,531,785	44.09%	1,743,651,785
Free Float in Value	₦ 783,265,892.50		₦ 871,825,892.50

Declaration:

(A) Union Diagnostic and Clinical Services Plc with a free float percentage of 44.09% as at 31st December, 2020, is compliant with The Exchange's free float requirements for companies listed.			
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BY ORDER OF THE BOARD.

SAMUEL IROYE ESQ FRC/2014/NBA00000010070
COMPANY SECRETARY/LEGAL ADVISER
37, TEJUOSHO STREET
SURULERE-LAGOS
March, 2021



STATEMENT OF DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The directors accept responsibility for the preparation of the annual financial statements, set out on pages 23 to 42 that give a true and fair view in accordance with International Financial Reporting Standards.

The Directors further accept responsibility for maintaining adequate accounting records and also for internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Amb. Bariyu Adeyemi
FRC/2016/NIM/00000015485
26th of March, 2021

Dr Olusola Akinniyi
FRC/2016/MDCN/00000014375
26th of March, 2021



CORPORATE GOVERNANCE REPORT

Union Diagnostic and clinical Services plc endeavor to comply with best practice and procedure in Corporate Governance, which are constantly review in line with the changing business environment.

The corporate Governance policies as put in place by the Board of Directors is aimed at ensuring the smooth running of the affairs of the company in a fair, equitable and transparent manner in conformity to high ethical standards.

In conformity with the best corporate practice, the Board has established and delegated some of its responsibilities to the following Committees in the next financial year:

(i) Finance & General purpose committee

Comprises of two Executive Directors and one Non Executive Directors

Names	Date of Meeting				Total Attendance
	10-03-2020	15-4-2020	22-7-2020	24-10-2020	
Dr. Akinniyi Olusola	✓	✓	✓	✓	4
Mr Akinkoye Abiodun	✓	✓	✓	✓	4

(ii) Audit Committee

The Audit committee comprise of equal number of Directors and shareholders. The functions of the audit committee are as contained in section 359 (6) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004.

Audit committee Records of Meeting

Names	Date of Meeting				Total Attendance
	20-02-2020	27-4-20	22-7-2020	19-10-2020	
Mr. Nelson Ojo	✓	✓	✓	✓	4
Mr Akinkoye Abiodun	✓	✓	✓	✓	4
Dr. Abiodun Oyeneyin	✓	✓	✓	✓	4
Mrs. Afelokhai Josephine	✓	✓	✓	✓	4

**RISK MANAGEMENT COMMITTEE.**

The Risk Management Committee comprises of two Executive Directors and one Non Executive Director.

Names	Date of Meeting				Total Attendance
	15-03-2020	08-5-2020	16-7-2020	10-11-2020	
Amb. Adeyemi Bariyu	✓	✓	✓	✓	4
Dr. Akinniyi Olusola	✓	✓	✓	✓	4
Mr Akinkoye Abiodun	✓	✓	✓	✓	4

Record of Directors Attendance at meetings.

In accordance with the provisions of s.258 (2) of the Companies and Allied matters Act, Cap. 20, Laws of Federation of Nigeria, 2004. Records of Attendance which provides that the record of Directors attendance at Board meeting for the year under review be exhibited for inspection at the annual general meeting, the record is available at this meeting for Inspection

Names	Date of Meeting				Total Attendance
	24-02-2019	05-4-19	21-7-2019	12-10-19	
Abm Adeyemi Bariyu	✓	✓	✓	✓	4
Dr. Akinniyi Olusola	✓	✓	✓	✓	4
Dr. Oyeneyin Abiodun	✓	✓	✓	✓	4
Mr Akinkoye Abiodun	✓	✓	✓	✓	4
Mr. Nwuzor Tony	✓	✓	✓	✓	4
Dr..Akinmolayan Koleola	✓	✓	✓	✓	3

SUBMISSION OF FINANCIAL STATEMENTS FOR YEAR 2020 TO REGULATORY AGENCY

The financial statement for the year ended 31st December, 2020 was submitted to the Nigerian stock exchange and the Securities and Exchange Commission on the 30th of March 2020.

SECURITY TRADING AND COMPLAINTS MANAGEMENT POLICIES

In compliance with the Securities and Exchange Commission's rule, management had put in place a complaint management policy on how to resolve complaints from shareholders and investors. In like manner the company had put in place as well, Securities Trading policy in compliance with Rule 17.15 Disclosure of Dealings in Issuers' shares, Rules of the Exchange 2015.



AUDIT COMMITTEE REPORT

In accordance with the provision of section 359(6) of Companies and Allied Matters Acts, cap C20 LFN 2004, members of the Audit Committee of Union Diagnostic and Clinical Services Plc carried out the following functions under the Act:

- a. Review the scope and planning of the audit requirement of the external Auditors.
- b. Review the External Auditors Memorandum of recommendations on Accounting procedure and internal control together with Management responses thereon.
- c. Ascertain that the accounting and reporting policies of the Company for the year ended 31st December 2020 are in accordance with legal requirement.

In our own opinion, the scope and planning of the audit for the year ended 31st December 2020 were adequate and management responses to the auditors findings were satisfactory.

Mr. Nelson Ojo (FRC/2017/ANAN/00000016532)
Chairman: Audit committee.
March, 2021

Members of Audit Committee,

Mr. Akinkoye Abiodun

Mrs. Afelokhai Josephine



REPORT OF THE AUDITORS


EJIGEME ANDREW & CO.

Chartered Accountants

Club Annex 9
Tafawa Balewa Square Complex
Race Course, Lagos.
Phone: 080 37194426
Email: ejigemeandrew@gmail.com

Our Ref:.....
Your Ref:.....

Our Ref:.....
Your Ref:.....

Independent Auditor's Report

To the shareholders of Union Diagnostic and Service Plc.

Report on the audit of the financial statements

OPINION

We have audited the financial statement of Union Diagnostic and Clinical Services Plc. (the company), which comprises the statement of financial position as at 31st December 2020, the statement of profit and loss and the other comprehensive income, statement of changes in equity, statement of cash flow for the year then ended and the notes to the financial statement including the summary of significant accounting policies.

In our opinion, the financial statement gives a true and fair view of the financial position of Union Diagnostic and Clinical Services Plc. as at 31st December 2020 and the financial performance and the cash flow for the year then ended in accordance with the international financial reporting standards the Companies And Allied Matters Act Cap C20 LFN 2004 and financial Reporting Council of Nigeria Act, 2011.

BASIS FOR OPINION

We conducted our audit in accordance with international standard on auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independent requirements applicable to performing audits in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN code and in accordance with other ethical requirements applicable to performing audit of financial statement in Nigeria. The ICAN Code is consistent with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (part A and B). We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.



EJIGEME ANDREW & CO

Key Audit Matter

Inventories assets valuation

The value of inventories assets (consumables Scientific materials) is a significant balance in the entity's statement of financial statement and is disclosed in note 12 to the financial statements. The valuation of the inventories assets involves significant judgment and assumptions. Accordingly, for the purpose of an audit we identify the valuation of the inventories assets as key audit matter based on the significant judgment and assumptions made by the directors.

The assumptions with the most significant impact on the consumable scientific assets valuation:

- The age profile of the scientific inventories and treatment of transactional cost to the company
- The applicable source of supply which guarantees observable market data rather the subjective measurement.

How the matter was addressed in the audit

In evaluating the value of inventories assets we preformed test of controls relating to the directors estimation of the assets. We also checked the compliance with the requirements of IAS 2: Inventories IFRS 13: fair value measurement.

Our procedures include the following:

- Reviewing the measurement methods used by an entity and the directors' Decision to choose this method (fair value).
- Reviewing the age profile of the assets to ascertain the treatment to expired inventory.
- Reviewing the assumptions used and ensure they are reasonable with the recent economic trend in the country.
- Involving our internal valuation expert in valuation testing.
- The assumptions used in the valuation were found to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report, The Audit Committee's Report and the Company Secretary's Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's reports thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with The Financial And Reporting Standard And The Requirement Of The Companies And



EJIGEME ANDREW & CO

Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council 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 financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operation, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance

with the ISAs will always detect a material misstatement when it exists. Misstatement 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 scepticism throughout the audit. We also:

- Identify and assesses the risk of material misstatement of the financial statements, whether due to fraud or error, and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit on order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude in the appropriateness of the directors use of the going concern basis of accounting and based on audit evidence obtained, whether a material uncertainty exist relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosure 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 Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent for underlying transactions and event in a manner that achieves fair presentation.



EJIGEME ANDREW & CO

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

We also provided the audit committee and directors with statement that we have complied with relevant ethical requirements regarding independence, and communicated relationship and other matters that may reasonably be thought to bear on our independence, where applicable, related safeguards.

From the matters communicated with the audit committee and the directors, we determine those matters that were most significance in the audit of the financial statements of the current year 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 benefit derivable by the public from such communication.

Report on Other Legal and Regulatory Requirement

In accordance with the sixth schedule of Companies and Allied Matters Act CAP C20 2004 we express state that:

- 1) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for purpose of our audit.
- 2) The Company has kept proper books of account, as far as appears from our examination of those books.
- 3) The company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

EJIGEME ANDREW OKWUDILI
MANAGING PARTNER
FRC/2015/ICAN/00000011485
LAGOS, NIGERIA
MARCH, 2021



EJIGEME ANDREW & CO
CHARTERED ACCOUNTANTS



STATEMENT OF ACCOUNTING POLICIES

1. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS).

(b) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency.

(c) Basis of measurement

These financial statements are prepared on the historical cost basis.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency

Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange on the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate.

Exchange differences arising on the settlement of transactions at rates different from those at the dates of the transactions, as well as unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the profit or loss.



Unrealised exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. For non-monetary financial assets held for trading and for non-monetary financial assets designated at fair value through profit or loss, unrealised exchange differences

are recognised in the profit or loss. For available-for-sale equity instruments, unrealised exchange differences are recorded in other comprehensive income.

(b)Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit and loss.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current year are as follows:

Land and Buildings	80 years
Plant & Machinery	20 years
Motor Vehicles	5 years
Office Furniture & Fittings	10 years
Medical Equipment	20 years
Office Equipment	20 years



Depreciation methods, useful lives and residual values are reviewed at each financial year- end and adjusted if appropriate.

De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the (asset)) is included in profit or loss in the year the asset is derecognised.

(c) Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest method. Short-duration other payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest would be significant.

Other non-derivative financial instruments which comprise of loans and receivables, and other financial liabilities are measured at amortised cost using the effective interest method, less any impairment losses. Short-term trade receivables, other receivables, trade payables and other payables with no stated interest rate are carried at original invoice amounts where the effect of discounting is not significant.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cashflows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Where the Company enters into transactions under which it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them, then the transferred assets are not derecognised from the statement of financial position if all or substantially all risks and rewards are retained. In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(d) Share Capital



Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as deductions from equity, net of any tax effects.

(e) Taxation

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and any adjustment required for prior period.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is not for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(f) Employee benefits

Retirement of Benefit Scheme

The Company provide for a retirement benefit scheme in accordance with the provision of Pension Reform Act, 2004.

The Scheme is been funded through monthly contribution of 10% by the Company and 8% by the employees.

This Pension Scheme is been managed by Stanbic IBTC Pensions.

A provision is recognised only if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(g) Revenue

Revenue represents the value of services rendered to third parties net of Value Added Tax and discounts allowed in the ordinary course of business. Services rendered to third parties comprises of providing laboratory clinical services-

Revenue is recognised when persuasive evidence exists, usually in the form of an executed agreement that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Invoices paid or billed in advance are deferred and treated as liabilities in the year such payments are received.

These amounts are amortised and the corresponding amounts are recognised as income in the period to which they relate.

(h) Finance income and expense



Finance income comprise of interest on funds invested. Finance costs comprise interest expense on borrowings and bank charges.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position except for foreign currency translation differences recorded in other comprehensive income.

(i)Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, both for financial and non-financial assets and liabilities.

Fair values have been determined or measurement and/or disclosure purposes based on the following methods.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the market rates of interest at the reporting date. For trade and other receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Other non-derivative financial liabilities

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rates of interest at the reporting date. For trade and other creditors with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

2. Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk



This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, including implementation and monitoring of these policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board ensures that the Company's corporate profile is strategically aligned with the vision of the shareholders and its board ensures the adoption of corporate governance codes and practice as well as policies aimed at advancing good governance and sound corporate culture that are aligned with the Company's risk management policies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company has no significant concentration of credit risk, with no exposure of a large number of customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. The Company's client base consists mainly of the major states in Nigeria who have proven track record, own a significant share of the market and have financial backing from their banks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company bill customers for services in arrears. This assists in monitoring cash flow requirements and optimising its cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The Company manages market risk by keeping costs low to keep prices within profitable range, foreign exchange risks are managed using latest official rates, benchmarking interest rates to LIBOR with a large margin thereon at fixed rates while not foreclosing the possibility of taking interest rate hedge products should there be need to do so. The Company is not exposed to any equity price risks.



Currency risk

The Company is not exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency, the Naira. The currencies giving rise to this risk are primarily the Nigerian Naira and US Dollars (USD) which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

Interest rate risk

The Company has no loans denominated in foreign currency (USD) and Naira.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as Share Capital plus Share Premium, and Accumulated Profit or Losses. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.



STATEMENT OF COMPREHENSIVE INCOME

UNION DIAGNOSTICS AND CLINICAL SERVICES PLC AUDITED FINANCIAL STATEMENT.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2020

		2020	2019
	NOTES		
Revenue	(21)	1,422,621,122	1,349,168,159
Cost of sales	(20)	(405,104,797)	(344,899,324)
		-----	-----
Gross profit		1,017,516,325	1,004,268,835
		-----	-----
Employee benefits expenses	(8)	(451,694,604)	(445,331,101)
Rent		(16,000,000)	(35,000,000)
Transportation and motor running expenses		(22,007,265)	(32,706,642)
Communication expenses		(10,108,495)	(7,121,043)
Depreciation and Impairment	(11)	(194,153,435)	(185,967,480)
Legal,Consultancy& Other Professional fees		(27,492,963)	(16,625,000)
Repairs and maintenance		(20,538,070)	(42,766,525)
Other operating expenses	(19)	(237,435,287)	(145,691,081)
		-----	-----
		(980,132,952)	(911,208,872)
		-----	-----
Results from operating activities		31,383,373	93,059,963
		-----	-----
Finance expense	(7)	(8,106,571)	(4,949,948)
		-----	-----
Net finance expense		(8,106,571)	(4,949,948)
		-----	-----
Profit/ (Loss) before income tax expense		29,276,802	88,110,015
Taxation	9 (a)	(8,609,284)	(25,910,076)
		-----	-----
Profit/ (Loss) for the year		20,667,518	62,199,939
		=====	=====
		=====	=====
Total comprehensive profit/ (loss) for the year		62,199,939	62,199,939
		=====	=====
Earnings per share		1.75K	1.75K



STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

ASSETS		2020	2019
	NOTES	N	N
Property, plant and equipment	(10)	4,883,951,721	4,182,175,306
Prepayments for non-current assets		-	7,672,982
Intangible Asset		970,000	-
Capital work in Progress		62,863,700	19,103,612
Total non-current assets		4,947,785,421	4,208,951,900
Inventory		27,463,566	2,939,312
Trade and other receivables	(13)	2,363,230,556	371,435,826
Investment in Shares		-	52,900,000
Cash and cash equivalents	(14)	28,947,296	19,689,029
Total current assets		2,419,641,418	446,964,167
Total assets		7,367,426,839	4,655,916,067
Equity			
Share capital	(15)	1,776,569,264	1,776,569,264
Share premium		2,616,172,623	2,616,172,623
Accumulated losses/profit	(15)	165,558,515	144,890,997
Total equity attributable to equity holders of the Company		4,558,300,402	4,537,632,884
Liabilities			
Non- Current Liabilities			
Bank Loan		2,649,336,476	-
Total Non-Current Liabilities		2,649,336,476	-
Trade and other creditors	(16)	147,130,857	74,728,585
Taxation	9 (b)	12,753,806	43,554,598
Total current liabilities		159,884,663	118,283,183
Total liabilities		2,809,221,139	118,283,183
Total equity and liabilities		7,367,521,541	4,655,916,067

These audited accounts were approved by the Board of Directors of the company on the 26th of March 2021, and signed on its behalf by:-

Amb. Bariyu Adeyemi
Chairman
FRC/2016/NIM/00000015485
26th March, 2021

Mrs Dorcas Jayeola

CFO

FRC/2016/ICAN/00000014338

26th March, 2021

Dr. Akinniyi Olusola, MD
FRC/2016/MDCN/00000014375
29th March, 2021



STATEMENT OF CHANGES IN EQUITY

UNION DIAGNOSTICS AND CLINICAL SERVICES PLC

AUDITED FINANCIAL STATEMENT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2020.

	Share Capital	Share Premium	Accumulated Profit/ (Losses)	Total Equity
Balance at 1 January 2019	1,776,569,264	2,616,172,623	82,691,058	4,475,432,945
Total comprehensive income for the year				
Profit/ (Loss) for the year	-	-	62,199,939	62,199,939
Total comprehensive income for the year	1,776,569,264	2,616,172,623	144,890,997	4,537,632,884
	=====	=====	=====	=====
	N	N	N	N
Balance at 1 January 2019	1,776,569,264	2,616,172,623	144,890,997	4,537,632,884
Total comprehensive income for the year				
Profit/ (Loss) for the year	-	-	20,667,518	20,667,518
Total comprehensive income for the year	1,776,569,264	2,616,172,623	165,558,516	4,558,300,402
	=====	=====	=====	=====



STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020		2019	
	N	N	N	N
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) for the period before taxation		29,276,802		88,110,015
Adjustments For Items Not Involving Movement Of Funds :				
Depreciation	194,153,435		185,967,480	
Prior year adjustment/Impairments	—	-	—	
(Profit)/Loss on disposal of asset	—	-	—	
		194,153,435		185,967,480
Cash flow before changes in working capital		-----		-----
(Increase)/Decrease in inventories	(24,524,254)		1,252,352	
(Increase)/Decrease in Debtors & Prepayment	(1,991,889,432)		(15,995,302)	
Increase/(Decrease) in Creditors & Accruals	72,402,272		(23,775,664)	
Increase/(Decrease) in investment in shares	52,900,000		—	
(Increase)/decrease in intangible assets	(970,000)		—	
		(1,892,099,414)		(38,518,614)
		-----		-----
		(1,668,669,177)		235,558,881
Tax paid		(39,410,076)		(52,836,116)
		-----		-----
Net cash flow from operating activities		(1,708,079,253)		182,722,765
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(895,929,850)		(729,621,946)	
Proceeds from Sale of capital WIP	—		—	
Net cash used in investing activities	(36,087,106)		443,334,283	
	-----	(932,016,956)	-----	(286,287,663)
		-----		-----
				(2,640,096,209)
CASH FLOW FROM FINANCING ACTIVITIES				
Loans and overdraft		2,649,336,476		
Net cash used in financing activities				
Net (decrease) increase in cash and cash equivalent				
Cash and cash equivalents at 1st January		19,689,029		123,253,927
		-----		-----
Cash and cash equivalents at 31st December		28,929,296		19,689,029
		=====		=====



NOTES TO THE FINANCIAL STATEMENT

1. Reporting entity

Union Diagnostics & Clinical services Plc was incorporated in Nigeria in 1999.

The principal activities of the company continue to be laboratory and clinical services as at the accounting year end.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with international Financial Reporting Standard (IFRS)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in naira, which is the company's functional currency.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with the IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, plant and equipment

(i) Recognition and measurement

Items and property, plant and equipment are measured at cost less accumulated depreciation.

ii. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future benefits associated with the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation

Depreciation is calculated so as to write –off the cost of non-currents assets over their estimated and operational lives at the following annual rates:

Land and Building	1.25%
Motor Vehicles	20%
Furniture and Fittings	10%
Equipment and plants	5%

(c) Inventories

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

(d) Revenue

Revenue represents the value of service invoiced to third parties during the year. The company recorded a total turnover of **N1,422,621,122**

(f) Income tax

Income tax expense comprises current tax. Current tax are recognised in profit or loss. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Interest rate risk

The Company has no loans denominated in foreign currency (USD) and Naira.

**Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as Share Capital plus Share Premium, Deposit for

Shares and Accumulated Profit or Losses.

There were no changes to the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

6 Revenue

The Company's revenue accrues solely from its laboratory and clinical services to third parties net of Value Added Taxes.

7 Finance income and expense

Recognized in profit or loss

Bank charges

Total

2020**N**

8,106,571

8,106,571

2020**N**

4,949,948

4,949,948

8 Employee benefits expenses

(a) Employee benefit expenses comprise wages, salaries and pension costs as follows:

EMPLOYEES

Wages, salaries, allowances and commissions

Pension costs and gratuities

ITF

2020**N**

443,630,277

5,502,588

2,561,739

451,694,604

2019**N**

48,455,496

4,990,045

1,992,901

445,331,101



(b) Directors' remuneration:

Remuneration paid to directors of the Company (excluding certain other benefits) was as follows:

	2020	2021
	N	N
Fees as directors	-	-
Other emoluments	-	125,000
	<u>-</u>	<u>125,000</u>

The remuneration of all other directors fell in the ranges below:

	2020	2019
	Number	Number
Nil	0	0
N500,001 - N1,000,000	0	-
N1,000,001 - N2,000,000	0	2
N2,000,001 - N10,000,000	1	0
N10,000,001 - N20,000,000	0	0
N20,000,001 and above	0	0
	1	2

(9) TAXATION

(i) Profit and loss account :

	N	N
Income tax for the year	8,071,204	18,733,362
Income tax - Educational Levy	538,080	7,176,714
Deferred Taxation	-	-
(Over)/Under provision in previous year	-	-
	<u>8,609,284</u>	<u>25,910,076</u>

(ii) Balance Sheet :

Tax charge for the year	8,609,284	25,910,076
Unpaid tax for previous year	4,144,522	17,644,522
Deferred taxation	-	-
	<u>12,753,806</u>	<u>43,554,598</u>

10 Earnings per share	1.75k	1.75k
-----------------------	-------	-------



Property, Plant and Equipment	Land & Building N	Medical Equipment N	Mach, Plant & office equipment N	Office furniture N	Motor vehicles N	OFFICE & COMPUTER N	Total N
COST/VALUATION							
At 1st January,2020	3,661,049,693	2,336,273,031	286,844,248	40,028,960	152,882,060	-	6,477,077,992
Additions for the period	13,405,400	840,396,517	19,591,000	15,030,100	773,600	6,733,233	895,929,850
Disposal	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
At 31st Dec, 2020	3,674,455,093	3,176,669,548	306,435,248	55,059,060	153,655,660	6,733,233	7,373,007,842
DEPRECIATION							
At 1st January,2020	286,251,777	1,722,933,135	120,792,583	22,483,131	142,442,060	-	2,294,902,686
Charge for the period	42,045,609	124,171,344	11,397,336	4,653,223	11,212,600	673,323	194,153,435
Adjustments	-	-	-	-	-	-	-
At 31st Dec, 2020	328,297,386	1,847,104,479	132,189,919	27,136,354	153,654,660	673,323	2,489,056,121
NET BOOK VALUE							
At 31st Dec, 2020	3,346,157,707	1,329,565,069	174,245,329	27,922,706	1,000	6,059,910	4,883,951,721
NET BOOK VALUE							
At 31st Dec, 2019	3,374,797,916	613,339,896	166,051,665	17,545,829	10,440,000	-	4,182,175,306

**12. INVENTORIES**

Consumables	27,137,874	2,939,312
	<u>27,137,874</u>	<u>2,939,312</u>
	=====	=====

2020**2019****13. TRADE AND OTHER RECEIVABLES**

Amounts falling due within one year:

Trade Debtors	83,774,233	101,386,005
Staff debtors	2,969,222	--
Other Debtors	--	270,049,821
Prepayments and accrued income	14,037,337	--
Director's Current Account	6,000,000	--
Deposit for Medical Equipment	2,256,449,764	--
	<u>2,363,230,556</u>	<u>371,435,826</u>
	=====	=====

14. Cash and cash equivalents

Bank and cash balances	28,947,296	19,689,029
	<u>28,947,296</u>	<u>19,689,029</u>
	=====	=====



15. SHARE CAPITAL AND RESERVES	2020	2019
Authorised:	N	N
4,500,000,000 ordinary shares of .50k each	2,250,000,000	2,250,000,000
	=====	=====
Allotted, called - up and fully paid:		
3,553,138,530 ordinary shares of .50k each	1,776,569,264	1,776,569,264
	=====	=====
SHARE PREMIUM	2,616,172,623	2,616,172,623
	=====	=====
RESERVES	2020	2019
At 1st January	144,890,997	82,691,058
Current profit/ (loss)	20,667,518	62,199,939
	-----	-----
	165,558,515	144,890,997
	=====	=====

Accumulated Profit/ (losses) represent the carried forward recognized income net of expenses plus current Period result attributable to shareholders.

16. Trade and other creditors		
Amounts falling due within one year:		
Trade creditors	32,200,492	41,205,905
Other Taxation- paye	2,412,790	1,056,658
Other Payables	98,798,529	32,466,022
Accrued charges	7,859,895	-
LSB	5,859,151	-
	-----	-----
	147,130,857	74,728,585
	=====	=====



17. Financial Instrument

2020

2019

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade and other receivables (Note 13)	2,357,230,556	371,435,826
Cash and cash equivalents (Note 14)	28,947,296	19,689,029
	<u>2,386,177,852</u>	<u>391,124,855</u>
	=====	=====

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance at 1 January	2020	2019
Impairment losses recognized		
Write off	0	0
	0	0
Balance at 31 December		

18. Non-current Liabilities:

2020

2019

BOI Loan	344,166,667	-
Wema Bank	<u>2,305,169,809</u>	<u>-</u>
	<u>2,649,336,476</u>	<u>-</u>

19. Events after the reporting date

There were no significant events after the reporting date which could have had a material effect on the Financial position of the Company as at 31 December 2020, which have not been adequately provided for.

20. Corresponding figures

Where necessary, certain corresponding figures have been reclassified in line with the presentation format adopted in the current year.



VALUE ADDED STATEMENT

	2020		2019	
	N	%	N	%
Value added from operating Activities;				
Revenue	1,422,621,122		1,349,168,159	
Cost of Brought in material and Services	<u>747,496,281</u>		<u>629,759,563</u>	
Total Value Added	<u>675,124,841</u>	<u>100</u>	<u>719,408,596</u>	<u>100</u>
Distribution of Value Added;				
To pay employee salaries	451,694,604	66.90	445,331,101	61.90
To pay Govt taxes	8,609,284	1.28	25,910,076	3.60
Depreciation and impairment	194,153,435	28.76	185,967,480	25.85
Value Retained	<u>20,667,518</u>	<u>3.06</u>	<u>62,199,939</u>	<u>8.65</u>
	<u>675,124,841</u>	<u>100.00</u>	<u>719,408,596</u>	<u>100.00</u>

**THREE YEARS FINANCIAL SUMMARY**

ASSETS	2019	2019	2018
	N	N	N
Property, plant and equipment	4,883,951,721	4,182,175,306	3,638,520,840
Prepayments for non-current assets	-	7,672,982	70,808,874
Capital work in progress	62,863,700	19,103,612	399,302,003
Intangible Asset	970,000		
Total current assets	446,964,167	446,964,167	535,786,115
Total Liabilities	(2,809,221,139)	(118,283,183)	(168,984,887)
	-----	-----	-----
	4,558,300,402	4,537,632,884	4,475,432,945
	=====	=====	=====
Equity			
Share capital	1,776,569,264	1,776,569,264	1,776,569,264
Share premium	2,616,172,623	2,616,172,623	2,616,172,623
Accumulated losses/profit	<u>165,558,515</u>	<u>144,890,997</u>	<u>82,691,058</u>
Shareholder's Fund	4,558,300,402	4,537,632,884	4,475,432,945
	=====	=====	=====
Turnover	1,422,621,122	1,349,168,159	1,353,220,085
Profit (loss) before Tax	29,276,802	88,110,015	143,317,326
Taxation	(8,609,284)	(25,910,076)	(42,144,522)
Profit (loss) after Tax	20,667,518	62,199,939	101,172,804



**UNION DIAGNOSTICS &
CLINICAL SERVICES**