



UAC of Nigeria PLC
Unaudited Condensed Consolidated Financial Statements for the 9 Month Period
ended 30 September 2021

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for the 9 month period ended 30 September 2021

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UAC of Nigeria PLC

Statement on Investor Relations

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

UAC of Nigeria PLC
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the 9 month period ended 30 September 2021

	Notes	3 months to September 2021 N'000	9 months to September 2021 N'000	3 months to September 2020 N'000	9 months to September 2020 N' 000
Continuing operations					
Revenue	3	24,868,238	71,367,736	21,164,342	57,797,722
Cost of sales	6	(20,834,846)	(59,010,093)	(16,761,900)	(46,402,492)
Gross profit		4,033,393	12,357,643	4,402,442	11,395,230
Dividend income	4	-	13,163	31	9,961
Other operating income	5	39,746	399,091	119,999	396,996
Other operating losses	5i	(4,805)	(38,479)	(20,726)	(68,588)
Selling and distribution expenses	6	(1,503,557)	(4,543,269)	(1,504,636)	(4,462,405)
Administrative expenses	6	(2,127,372)	(6,050,311)	(1,807,704)	(5,253,752)
Operating profit		437,405	2,137,839	1,189,406	2,017,442
Finance income	7	271,041	920,803	286,129	789,630
Finance cost	7	(393,813)	(1,068,504)	(81,494)	(448,339)
Net finance (cost)/income		(122,772)	(147,701)	204,635	341,291
Share of (loss)/profit from associates	15	(232,559)	(612,406)	46,473	115,418
Profit before tax		82,074	1,377,731	1,440,514	2,474,151
Income Tax Expense	8	(281,571)	(812,508)	(203,758)	(1,023,576)
(Loss)/profit after tax for the period from continuing operations		(199,497)	565,223	1,236,756	1,450,575
Discontinued operations					
(Loss)/profit after tax for the period from discontinued operations	31	-	(2,105)	(493,072)	451,186
(Loss)/profit for the period		(199,497)	563,118	743,684	1,901,761
Other comprehensive income:					
<i>Items not to be subsequently recycled to profit or loss</i>					
Net changes in fair value of financial assets	14	(25,000)	18,125	6,145	6,145
Share of other comprehensive income of associates and joint ventures using the equity method		(2,858)	5,717	-	-
Other comprehensive (loss)/income for the period net of tax		(27,858)	23,842	6,145	6,145
Total comprehensive (loss)/income for the period net of tax		(227,355)	586,960	749,829	1,907,906
(Loss)/profit attributable to:					
Equity holders of the parent		(245,700)	(89,677)	420,975	1,353,654
Non controlling interests		46,203	652,795	322,709	548,107
		(199,497)	563,118	743,684	1,901,761
Total comprehensive (loss)/income attributable to:					
Equity holders of the parent		(273,558)	(65,835)	427,120	1,359,798
Non controlling interests		46,203	652,795	322,709	548,107
		(227,355)	586,960	749,829	1,907,905
Earnings per share attributable to owners of the parent during the period (expressed in Kobo per share):					
Basic earnings per share					
From continuing operations (Kobo)	9	(9)	(3)	31	24
From discontinued operations (Kobo)	9	-	(0)	(16)	23
From profit/(loss) for the year (Kobo)		(9)	(3)	15	47
Diluted earnings per share					
From continuing operations (Kobo)	9	(9)	(3)	31	24
From discontinued operations (Kobo)	9	-	(0)	(16)	23
From profit/(loss) for the year (Kobo)		(9)	(3)	15	47

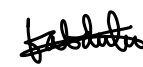
UAC of Nigeria PLC
Condensed Consolidated Statement of Financial Position
as at 30 September 2021

		30 September 2021	31 December 2020
	Notes	N' 000	N' 000
Assets			
Non-current assets			
Property, plant and equipment	10	21,249,425	21,011,834
Intangible assets and goodwill	11	1,352,354	1,373,223
Investment properties	12	2,634,999	2,634,999
Investments in associates	15	8,840,219	13,018,568
Finance lease receivable	20.1	8,766	8,766
Right of use assets	18	634,041	488,989
Debt instrument at amortised cost	16	2,258,658	2,174,304
Equity instrument at fair value through other comprehensive income	14	206,250	188,125
Prepayment	20	201,360	48,126
Deferred tax asset	23	-	38,653
Total non-current assets		37,386,071	40,985,587
Current assets			
Inventories	19	25,432,847	20,123,071
Trade and other receivables	20	8,309,890	6,500,290
Finance lease receivable	20.1	1,606	1,606
Cash and cash equivalents	21	12,233,808	24,272,314
Refund asset	17	12,115	14,330
Total current assets		45,990,265	50,911,611
Non-current assets held for sale/distribution	31a	3,813,942	265,496
Assets of disposal group classified as held for distribution	31c	3,865	3,865
Total assets		87,194,143	92,166,559
Equity and Liabilities			
Ordinary share capital	29	1,440,648	1,440,648
Share premium		14,434,946	18,071,545
Contingency reserve		69,571	69,571
Fair value reserve		282,425	258,584
Statutory/Other reserve		91,923	91,923
Retained earnings		28,611,226	32,710,006
Equity attributable to equity holders of the Parent		44,930,739	52,642,277
Non controlling interests		4,789,271	8,729,588
Total equity		49,720,010	61,371,865
Liabilities			
Non-current liabilities			
Borrowings	22	1,738,302	1,735,284
Government grant	25	209,040	209,040
Deferred tax liabilities	23	4,447,685	4,486,338
Lease liability	18	213,975	224,391
Provisions	28	6,357	6,357
Total non-current liabilities		6,615,358	6,661,410
Current liabilities			
Trade and other payables	24	7,336,631	9,829,941
Contract liabilities	26	2,052,384	1,340,627
Current income tax liabilities	8	3,200,410	3,814,160
Bank overdrafts and current portion of borrowings	22	8,251,317	2,503,673
Dividend payable	27	5,903,280	6,084,307
Government grant	25	58,343	58,343
Lease liability	18	271,144	250,926
Distribution liability	31b	3,636,599	-
Provisions	28	92,948	192,018
Refund liabilities	17	13,625	17,195
Total current liabilities		30,816,681	24,091,190
Liabilities of disposal group classified as distribution to owners	31c	42,094	42,094
Total liabilities		37,474,133	30,794,694
Total equity and liabilities		87,194,143	92,166,559

The financial statements and the notes on pages 6 to 30 were approved and authorised before issue by the board of directors on 28 October 2021 and were signed on its behalf by:


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


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


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

UAC of Nigeria PLC
Condensed Consolidated Statement of Changes in Equity
for the 9 month period ended 30 September 2021

Attributable to owners of the Company										
	Notes	Share	Share	Contingency	Fair value	Revaluation	Retained	Total	Non controlling	Total
		Capital	Premium	Reserve	Reserve	Reserve	Earnings		Interest	
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total equity at 1 January 2020		1,440,648	18,451,844	69,571	27,770	91,923	29,997,824	50,079,580	10,461,833	60,541,413
Profit for the year		-	-	-	-	-	1,353,654	1,353,654	548,107	1,901,761
Right issue cost		-	(359,253)	-	-	-	-	(359,253)	-	(359,253)
Transactions with Equity holders										
Acquisition of shares from NCI		-	-	-	-	-	(3,788)	(3,788)	(7,595)	(11,383)
Dividend accruing to UPDC		-	-	-	-	-	-	-	4,901	4,901
Net changes in fair value of assets		-	-	-	6,145	-	-	6,145	-	6,145
Dividend declared	27	-	-	-	-	-	-	-	(141,130)	(141,130)
Elimination of NCI after disposal of subsidiaries	31	-	-	-	-	-	-	-	(2,283,839)	(2,283,839)
Disposal of 5.1% shareholding of UPDC		-	-	-	-	-	(85,797)	(85,797)	744,863	659,066
Right issue subscribed		-	-	-	-	-	-	-	186,489	186,489
Balance at 30 September 2020		1,440,648	18,092,591	69,571	33,915	91,923	31,261,893	50,990,541	9,513,628	60,504,169
Total equity at 1 January 2021		1,440,648	18,071,545	69,571	258,583	91,923	32,710,006	52,642,277	8,729,588	61,371,865
Profit for the year		-	-	-	-	-	(89,677)	(89,677)	652,795	563,118
Other comprehensive income										
Share of net changes in fair value of financial assets of assoc	15	-	-	-	5,717	-	-	5,717	-	5,717
Net changes in fair value of financial assets	14	-	-	-	18,125	-	-	18,125	-	18,125
Transaction with Equity holders										
*Acquisition of shareholdings in subsidiary		-	-	-	-	-	(61,548)	(61,548)	(3,893,625)	(3,955,173)
Dividend declared	27	-	-	-	-	-	(3,457,556)	(3,457,556)	(930,727)	(4,388,283)
Unbundling of UPDC REIT units	31b	-	(3,636,599)	-	-	-	-	(3,636,599)	-	(3,636,599)
Share issue cost	13(a)	-	-	-	-	-	(3,096)	(3,096)	(2,380)	(5,476)
*Change in NCI due to CAP/PPNP merger	13(a)	-	-	-	-	-	(486,905)	(486,905)	233,619	(253,285)
Balance at 30 September 2021		1,440,648	14,434,946	69,571	282,425	91,923	28,611,225	44,930,739	4,789,271	49,720,010

*Acquisition of shareholdings in subsidiary relates to the acquisition of SWAN shares by UFL and the acquisition of additional interest in UFL by UACN from Tiger Brands (see note 13).

UAC of Nigeria PLC
Condensed Consolidated Statement of Cash Flows
for the 9 month period ended 30 September 2021

		30 September 2021 N' 000	30 September 2020 N'000
	Notes		
Cash flows from operating activities			
Cash generated used in operations	30	(5,301,741)	6,680,749
Corporate tax paid	8	(1,408,177)	(1,957,242)
Net cash flows used in/generated from operating activities		(6,709,918)	4,723,507
Cash flows from investing activities			
Purchase of intangible assets	11	(4,474)	(3,410)
Purchase of property, plant and equipment	10	(1,871,724)	(3,424,603)
Proceeds from sale of property, plant and equipment		52,681	95,491
Proceeds on disposal of non-current asset held for sale		166,842	-
Purchase of investment properties	12	-	(393)
Lease prepayment	18	(95,566)	-
Proceeds from disposal of subsidiaries		-	438,949
Investment in debt instrument	16	(1,802,991)	-
Proceeds from mature debt instrument	16	1,819,253	-
Interest received		830,289	789,630
Share issue cost	15	(5,476)	-
Net cash flows used in investing activities		(911,164)	(2,104,336)
Cash flows from financing activities			
Dividends paid to non-controlling interests	27	(936,327)	(129,918)
Dividends paid to Company shareholders	27	(3,457,556)	(288,130)
Proceeds from borrowings	22	31,044,538	1,440,042
Dividend refund (to)/from registrar	27	(175,427)	566,456
Right issue subscription cost		-	(359,253)
Repayment of borrowings	22	(25,306,968)	(5,218,273)
Right issue subscription by non controlling interest		-	186,489
Interest paid on loans	22	(986,263)	(220,628)
Repayment of lease liability principal	18	(390,965)	(392,908)
Dividend received		-	4,901
Proceeds from disposal of shares		-	659,066
Purchase of NCI shares		(4,208,459)	(11,383)
Net cash flows generated from/used in financing activities		(4,417,425)	(3,763,540)
Cash & cash equivalents at the beginning of the period		24,302,566	23,891,134
Net decrease in cash & cash equivalents		(12,038,506)	(1,144,369)
Cash & cash equivalents at the end of the period	21	12,264,060	22,746,765

UAC of Nigeria Plc
Notes to the condensed consolidated financial statements
for the 9 month period ended 30 September 2021

1. General information

UAC of Nigeria PLC ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The Group is a diversified business with activities in the following principal sectors: Animal Feeds and Other Edibles, Paints, Packaged Foods and Beverages, Quick Service Restaurants, Logistics and Real Estate. The address of the registered office is 1-5 Odunlami Street, Lagos.

The company is a public limited company, domiciled in Nigeria and listed on The Nigerian Exchange Limited.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

This condensed consolidated financial report for the period ended 30 September 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared on a historical cost basis except for investment property measured at fair value and financial instruments measured at fair value through other comprehensive income.

2.2 Accounting Policies

The accounting policies adopted are consistent with those for the year ended 31 December 2020.

2.3 Estimates

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

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

2.4 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. This condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2020. There have been no changes in the risk management structure since year end or in any risk management policy.

2.5 Securities Trading Policy

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

2.6 Management Assessment of Internal Control

The management of UAC of Nigeria PLC and its subsidiary companies are responsible for establishing and maintaining adequate internal control over financial reporting. The group's internal control system was designed to provide reasonable assurance to the Board of Directors regarding the preparation and fair representation of published financial statements. The Group's internal controls were assessed within the reporting period and were deemed to be effective as of 30 September 2021.

2.7 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but do not have an impact on the condensed consolidated financial statements of the Group.

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 9 month period ended 30 September 2021

3. Segment Analysis

The Group

The chief operating decision-maker has been identified as the Executive Committee (Exco), made up of the management of the Company. The Exco reviews the Group's internal reporting in order to assess performance and allocate resources.

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

Animal Feeds & Other Edibles- Made up of business units involved in the manufacturing and sale of livestock feeds and edible oil.

Paints - Made up of a business unit involved in the manufacturing and sale of decorative and protective paints.

Packaged Food & Beverages - Made up of a business unit involved in the manufacturing and sale of bottled water, snacks and ice-cream.

QSR (Quick Service Restaurants) - Made up of a business unit involved in the making and sale of snacks and meals.

Logistics - Made up of a business unit involved in rendering logistics and supply chain services including warehousing, transportation and redistribution services.

Real Estate - Made up of a business unit involved in real estate development and hospitality.

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

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

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

	Animal Feeds & Other Edibles N' 000	Paints N' 000	Packaged Food & Beverages N' 000	QSR N' 000	Logistics N' 000	Real Estate N' 000	Others N' 000	Total N' 000
30 September 2021								
Revenue from contracts with customers	43,784,327	10,201,792	17,818,458	1,603,159	-	-	404,364	73,812,100
Rental income	-	-	-	-	-	-	171,621	171,621
Total Revenue	43,784,327	10,201,792	17,818,458	1,603,159	-	-	644,951	74,052,687
Intergroup revenue	(2,146,647)	(6,457)	(83,706)	-	-	-	(448,141)	(2,684,951)
Revenue from third parties	41,637,680	10,195,335	17,734,752	1,603,159	-	-	196,810	71,367,736
Operating profit/(loss)	1,720,516	708,014	1,007,551	(152,792)	-	-	(1,145,451)	2,137,839
Profit/(loss) before tax	730,552	853,236	984,927	(182,986)	-	-	(1,138,091)	1,247,638
Loss after tax for the period from discontinued operations	-	-	-	-	-	-	(2,105)	(2,105)
Property, plant and equipment	12,172,472	1,626,202	6,158,707	350,863	-	-	941,181	21,249,425
Net assets	18,048,279	3,901,094	8,074,334	174,882	-	-	19,521,421	49,720,010

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 9 month period ended 30 September 2021

	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Logistics	Real Estate	Others	Total
30 September 2020	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contract with customers	38,511,614	7,217,893	12,784,869	1,060,556	-	-	365,026	59,939,958
Rental income	-	-	-	-	-	-	177,405	177,405
Total Revenue	38,511,614	7,217,893	12,784,869	1,060,556	-	-	542,431	60,117,363
Intergroup revenue	(1,864,482)	(79,076)	-	-	-	-	(376,083)	(2,319,641)
Revenue from third parties	36,647,132	7,138,817	12,784,869	1,060,556	-	-	166,348	57,797,722
Operating profit/(loss)	1,170,413	1,067,454	662,749	(29,030)	-	-	(854,144)	2,017,442
Profit / (Loss) before tax	855,161	1,257,400	686,191	(54,141)	-	-	(270,460)	2,474,151
Profit / (Loss) after tax for the period from discontinued operations	-	-	-	-	3,146,244	(2,696,212)	1,154	451,186
Property, plant and equipment	12,435,686	1,396,586	5,650,515	275,983	-	-	725,840	20,484,609
Net assets	17,244,463	4,915,946	6,927,285	285,005	-	14,375,539	16,755,931	60,504,168

Entity wide information

Analysis of revenue by category:

Revenue from contracts with customers
Rental income

	30 September 2021	30 September 2020
	N'000	N'000
Revenue from contracts with customers	71,196,115	57,620,317
Rental income	171,621	177,405
	71,367,736	57,797,722

Analysis of revenue by geographical location:

Nigeria
Others

	30 September 2021	30 September 2020
	N'000	N'000
Nigeria	71,367,736	57,797,722
Others	-	-
	71,367,736	57,797,722

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%.

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 9 month period ended 30 September 2021

Disaggregated Revenue
Group

Segments	For the 9 month period ended 30 September 2021							Total N'000
	Animal Feeds & Other Edibles N'000	Paints N'000	Packaged Food & Beverages N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	
Revenue from contracts with customers								
Sale of goods	41,637,680	10,195,335	17,734,752	1,603,159	-	-	-	71,170,926
Rendering of service	-	-	-	-	-	-	196,810	196,810
Total	41,637,680	10,195,335	17,734,752	1,603,159	-	-	196,810	71,367,736
Geographical Markets								
Nigeria	41,637,680	10,195,335	17,734,752	1,603,159	-	-	196,810	71,367,736
Outside Nigeria	-	-	-	-	-	-	-	-
Total	41,637,680	10,195,335	17,734,752	1,603,159	-	-	196,810	71,367,736
Timing of revenue								
Goods transferred at a point in time	41,637,680	10,195,335	17,734,752	1,603,159	-	-	-	71,170,926
Services transferred over time	-	-	-	-	-	-	196,810	196,810
Total	41,637,680	10,195,335	17,734,752	1,603,159	-	-	196,810	71,367,736

Segments	For the 9 month period ended 30 September 2020							Total N'000
	Animal Feeds & Other Edibles N'000	Paints N'000	Packaged Food & Beverages N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	
Revenue from contracts with customers								
Sale of goods	36,647,132	7,138,817	12,784,869	1,060,556	-	-	-	57,631,374
Rendering of service	-	-	-	-	-	-	166,348	166,348
Total	36,647,132	7,138,817	12,784,869	1,060,556	-	-	166,348	57,797,722
Geographical Markets								
Nigeria	36,647,132	7,138,817	12,784,869	1,060,556	-	-	166,348	57,797,722
Outside Nigeria	-	-	-	-	-	-	-	-
Total	36,647,132	7,138,817	12,784,869	1,060,556	-	-	166,348	57,797,722
Timing of revenue								
Goods transferred at a point in time	36,647,132	7,138,817	12,784,869	1,060,556	-	-	-	57,631,374
Services transferred over time	-	-	-	-	-	-	166,348	166,348
Total	36,647,132	7,138,817	12,784,869	1,060,556	-	-	166,348	57,797,722

UAC of Nigeria PLC
Notes to the condensed consolidated financial statements
for the 9 month period ended 30 September 2021

4 Dividend income

	30 September 2021 N' 000	30 September 2020 N' 000
Dividend income from third parties	13,163	9,961
Total dividend income	13,163	9,961

5 Other operating income

	30 September 2021 N' 000	30 September 2020 N' 000
(Loss)/profit on sales of property, plant and equipment	(26,830)	2,753
Profit on sale of non current asset held for sale (Note 10 & 31)	160,068	-
Provision write back	-	500
Rental income*	9,413	9,065
Government grant (Note 25)	-	61,040
Insurance claim received	-	311
Exchange gain	3,439	169,871
Other income**	253,001	153,456
Total other operating income	399,091	396,996

*** Rental Income**

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

****Other income**

Other income comprises of management fees, income from sale of sacks, scraps and other by-products, and other miscellaneous income.

5i Other operating losses

	30 September 2021 N'000	30 September 2020 N'000
Expected credit loss allowance on trade receivables (Note 20)	38,479	53,126
Expected credit loss allowance on cash equivalent	-	15,462
Total other operating losses	38,479	68,588

6 (a) Expenses by nature

	30 September 2021 N' 000	30 September 2020 N' 000
Changes in inventories of finished goods and work in progress	51,416,776	39,450,751
Write off of inventories to net realisable value	117,427	56,080
Personnel expenses	6,990,477	6,189,818
Depreciation charge on property, plant and equipment	1,570,633	1,511,407
Depreciation charge on right-of-use asset	282,134	383,574
Amortisation of intangibles	25,770	39,269
Royalty fees	307,415	201,102
Rents & rates	245,391	285,942
Electricity & power	1,739,514	1,722,627
Vehicles repairs, maintenance & fueling	381,484	240,391
Other repairs & maintenance	794,579	655,664
Auditors' remuneration	97,984	101,586
Information technology charge	341,605	278,567
Legal and professional expenses	718,132	481,593
Donations & subscriptions	190,743	253,139
Insurance	183,014	159,734
Distribution expenses	2,076,607	2,337,711

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6(a) Expenses by nature (continued)

	30 September 2021 N' 000	30 September 2020 N' 000
Marketing, Advertising & Communication	692,012	501,839
Hire of equipment	99,184	98,611
Catering expenses	183,727	128,539
Cleaning, laundry & sanitation	145,981	110,544
Security	188,218	166,252
Travelling expenses	238,276	175,679
AGM expenses	57,371	58,130
Bank charges	61,719	159,140
Amortisation Premium on Eurobond	65,228	80,311
Stationery and printing	81,899	82,104
Uniform and safety kit	19,516	14,684
Casual wages	36,181	22,791
Traning and recruitment expenses	32,881	20,848
Project expense	24,513	37,489
Entertainment expense	27,988	17,866
Corporate gifts	24,789	24,097
Provision for WHT receivables****	62,961	-
Sundry office expenses***	81,545	70,772
	69,603,673	56,118,649

(b) Expenses by Function

Analysed as:

Cost of sales	59,010,093	46,402,492
Selling and distribution expenses	4,543,269	4,462,405
Administrative expenses	6,050,311	5,253,752
	69,603,673	56,118,649

*****Sundry expenses comprise the following**

	30 September 2021 N' 000	30 September 2020 N' 000
VAT on commercial service fees	31,774	21,118
Exchange losses	27,683	30,572
Other miscellaneous expenses	22,088	19,081
	81,545	70,772

****Provision for WHT receivables relates to the impairment of WHT receivables at Portland Paints & Products Nigeria PLC (PPPNP) prior to the CAP/PPPNP merger, 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.

7. Net finance (cost)/income

	30 September 2021 N' 000	30 September 2020 N' 000
Interest income on short-term bank deposits	679,583	789,630
Interest income on bonds	241,220	-
Finance Income	920,803	789,630
Interest on bank loans (Note 22)	(999,356)	(334,964)
Interest expense on lease liability (Note 18)	(69,148)	(113,374)
Finance Costs	(1,068,504)	(448,339)
Net finance income/cost	(147,701)	341,291

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8. Taxation

	30 September 2021 N'000	31 December 2020 N'000
Opening balance	3,814,160	4,510,936
Income tax expense	812,508	1,353,738
Withholding tax credit notes utilised	(18,081)	(360,132)
Payment during the year	(1,408,177)	(1,690,382)
	3,200,410	3,814,160

9. Earnings Per Share

(a) Basic

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

	30 September 2021 N' 000	30 September 2020 N' 000
Profit attributable to ordinary equity shareholders:		
Profit/(loss) from continuing operations	(87,852)	687,038
Profit/(loss) from discontinued operations	(1,824)	666,616
Profit for the period	(89,677)	1,353,653

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

Basic earnings per share

From continuing operations (Kobo)	(3)	24
From discontinued operations (Kobo)	(0)	23
From profit for the period (Kobo)	(3)	47

(b) Diluted

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

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10. Property, plant and equipment

Cost:	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	8,791,199	19,276,743	1,228,370	2,422,286	871,501	588,125	33,178,225
Additions	57,820	991,108	135,383	971,890	61,668	2,277,996	4,495,865
Disposals	-	(260,770)	(6,441)	(312,181)	(5,649)	(2,966)	(588,007)
Assets held for sale	(223,225)	(362,267)	(10,329)	-	(7,710)	-	(603,531)
Reclassifications	6,861	276,379	-	14,255	1,712	(299,207)	-
At 31 December 2020	8,632,655	19,921,193	1,346,983	3,096,251	921,522	2,563,948	36,482,552
At 1 January 2021	8,632,655	19,921,193	1,346,983	3,096,251	921,522	2,563,948	36,482,552
Additions	123,870	760,633	111,083	376,855	92,473	406,811	1,871,724
Disposals	(126,565)	(123,016)	(31,045)	(205,411)	(19,681)	(100)	(505,818)
Transfer from assets held for sale	-	11,508	2,464	-	408	-	14,380
Reclassifications*	32,680	106,007	2,179	11,654	42,633	(195,582)	(428)
At 30 September 2021	8,662,640	20,676,326	1,431,664	3,279,349	1,037,354	2,775,077	37,862,410
Accumulated depreciation and impairment							
At 1 January 2020	1,887,895	9,345,714	1,002,984	1,349,184	660,859	12,000	14,258,637
Charge for the year	279,271	1,206,886	107,089	377,987	49,876	-	2,021,109
Disposals	-	(211,725)	(4,829)	(248,896)	(5,543)	-	(470,993)
Write off	(24,197)	(301,119)	(5,741)	-	(6,978)	-	(338,035)
At 31 December 2020	2,142,969	10,039,757	1,099,503	1,478,275	698,214	12,000	15,470,718
At 1 January 2021	2,142,969	10,039,757	1,099,503	1,478,275	698,214	12,000	15,470,718
Charge for the year	119,847	989,068	77,616	337,410	46,692	-	1,570,633
Disposals**	(105,418)	(114,095)	(29,139)	(162,542)	(18,398)	-	(429,593)
Transfer from asset held for sale	-	-	1,227	-	-	-	1,227
At 30 September 2021	2,157,398	10,914,729	1,149,206	1,653,144	726,508	12,000	16,612,985
Net book values:							
At 30 September 2021	6,505,242	9,761,597	282,457	1,626,205	310,846	2,763,077	21,249,425
At 31 December 2020	6,489,686	9,881,437	247,480	1,617,976	223,308	2,551,948	21,011,834

*The sum of N428,000 relates to the reclassification of a retail POS system used by the QSR business from capital work in progress to intangible asset.

** 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 5 & 31.

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11. Intangible assets and goodwill

	Goodwill	Brands & Trade Marks	Software	Capital Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000
At 1 January 2020	548,747	1,070,185	836,150	4,620	2,459,703
Additions - externally acquired during the year	-	-	8,729	-	8,729
Transfer	-	-	-	-	-
At 31 December 2020	548,747	1,070,185	844,879	4,620	2,468,432
At 1 January 2021	548,747	1,070,185	844,879	4,620	2,468,432
Additions - externally acquired during the year	-	-	4,474	-	4,474
Transfers*	-	-	5,048	(4,620)	428
At 30 September 2021	548,747	1,070,185	854,401	-	2,473,334
Accumulated amortisation					
At 1 January 2020	-	288,439	753,661	-	1,042,100
Amortisation for the year	-	-	53,110	-	53,110
At 31 December 2020	-	288,439	806,771	-	1,095,210
At 1 January 2021	-	288,439	806,771	-	1,095,210
Amortisation for the period	-	-	25,770	-	25,770
Reclassification	-	-	-	-	-
At 30 September 2021	-	288,439	832,541	-	1,120,980
Net book values					
At 30 September 2021	548,747	781,747	21,860	-	1,352,354
At 31 December 2020	548,747	781,747	38,108	4,620	1,373,223

*The sum of N428,000 relates to the reclassification of a retail POS system used by the QSR business from capital work in progress to intangible asset.

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12 . Investment properties

Fair value	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
At 1 January 2020	417,735	1,982,601	2,400,336
Additions during the year	-	393	393
Net gain from fair value adjustments on investment properties	-	234,270	234,270
At 31 December 2020	417,735	2,217,264	2,634,999
At 1 January 2021	417,735	2,217,264	2,634,999
Additions during the period	-	-	-
Net gain from fair value adjustments on investment properties	-	-	-
At 30 September 2021	417,735	2,217,264	2,634,999

Fair value of investment properties is categorised as follows:

31 December 2020	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
External valuation	417,735	2,217,264	2,634,999
	417,735	2,217,264	2,634,999

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13. Investments in subsidiaries

	30 September 2021 N' 000	31 December 2020 N' 000	30 September 2021 % ownership	31 December 2020 % ownership
Quoted shares:				
<i>Chemical and Allied Products PLC (Note 13(a))</i> 445,696,097 (2020: 360,427,061) ordinary shares of 50k each	2,444,351	494,684	56.54	51.49
<i>Livestock Feeds PLC</i> 2,198,745,272 ordinary shares of 50k each	2,246,401	2,246,401	73.29	73.29
<i>Portland Paints and Products Nigeria PLC (Note 13(a))</i> (2020: 682,152,275) ordinary shares of 50k each	-	1,949,667	-	85.98
Unquoted shares:				
<i>Grand Cereals Limited</i> 1,360,081,786 ordinary shares of N1 each	7,259,495	7,259,495	71.43	71.43
<i>UAC Foods Limited (Note 13(b))</i> 200,000,000 (2020 - 102,000,000) ordinary shares of 50k each	6,334,414	2,414,414	100.00	51.00
<i>UAC Restaurants Limited</i> 139,230,000 ordinary shares of 50k each	251,290	251,290	51.00	51.00
	18,535,951	14,615,951		

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

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

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

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

14. Equity instrument at fair value through other comprehensive income

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

	30 September 2021 N' 000	31 December 2020 N' 000
Opening balance	188,125	28,771
Fair value gain	18,125	159,354
Closing balance	206,250	188,125

The fair value of the equity instrument is a level 1 input in accordance with IFRS 13. The fair value measurement was derived from quoted prices on National Association of Security Dealers (NASD Plc).

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15. Investment in associates

Set out below are the associates of the Group as at 30 September 2021. The associates as listed below have share capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associates:

	Country of incorporation	30 September 2021 N'000	31 December 2020 N'000
UPDC REIT	Nigeria	-	24.34%
UPDC PLC	Nigeria	42.85%	42.85%
MDS Logistics	Nigeria	43%	43%

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

	30 September 2021 N'000	31 December 2020 N'000
Opening balance	13,018,568	-
Addition	-	11,973,792
Share of (loss)/profit	(612,406)	973,316
Share of other comprehensive income	5,717	71,460
Reclassified to non-current assets held for sale/distribution	(3,571,660)	-
Closing balance	8,840,219	13,018,568

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 which is lower than its fair value of N3.64billion as at 30 September 2021 (see note 31).

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

	Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000
30 September 2021				
UPDC PLC	1,909,580	19,240,613	5,918,054	6,758,680
MDS Logistics	6,153,771	3,235,895	3,132,504	1,507,235

	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000
30 September 2021				
UPDC PLC	614,739	13,721	41,030	(573,246)
MDS Logistics	6,547,500	917,710	1	(358,652)

	Non-current asset N'000	Current asset N'000	Non-current liabilities N'000	Current liabilities N'000
31 December 2020				
UPDC REIT	26,634,571	5,392,755	-	1,108,781
UPDC PLC	2,688,812	19,603,860	4,345,562	8,305,323
MDS Logistics	68,181,801	3,553,299	3,871,206	1,551,435

	Revenue N'000	Depreciation N'000	Interest income N'000	Interest expense N'000
30 September 2020				
MDS Logistics	5,891,263	590,198	154	(483,797)
UPDC PLC	458,258	15,543	3,051	(1,304,261)

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	30 September 2021	31 December 2020
	N' 000	N' 000
16. Debt instruments at amortised cost		
Opening balance	2,205,374	2,015,218
Additions during the period	1,802,991	-
Settlements during the period	(1,819,253)	-
Coupon accrued	241,220	102,582
Coupon received	(150,706)	(152,794)
Exchange (loss)/gain on revaluation	10,103	240,368
Gross investment in debt	2,289,728	2,205,374
Expected credit loss	(31,070)	(31,070)
Closing balance	2,258,658	2,174,304

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

The Group invests only on quoted debt securities with low credit risk. The Group's debt instruments at amortised cost comprised solely of quoted eurobonds that are rated by reputable Credit Rating Agencies. The Group recognised provision for expected credit losses on its debt instruments at amortised cost of N31,070,040 (2020: N31,070,040).

30 September 2021

Bond type	Stage 1	Stage 2	Stage 3	Total
	N' 000	N' 000	N' 000	N' 000
B-/Fitch ETI 2031	84,776	-	-	84,776
B-/S&P; B-/Fitch Ecobank 2026	446,134	-	-	446,134
B-/S&P; B-/FitchUBA 2022	216,342	-	-	216,342
B-/S&P; B-/Fitch SEPLAT 2023	222,341	-	-	222,341
B-/S&P; B-/Fitch FIDBAN 2022	360,064	-	-	360,064
B2/Moody's; B/S&P; B+/Fitch FGN 2025	873,486	-	-	873,486
B/Fitch; B/S&PAccess 2021	86,585	-	-	86,585
Total	2,289,728	-	-	2,289,728

31 December 2020

Bond type	Stage 1	Stage 2	Stage 3	Total
	N' 000	N' 000	N' 000	N' 000
BB- (Fitch)/BB- (S&P) FGN 2021	1,615,965	-	-	1,615,965
B- (Fitch) FIDBAN 2022	319,847	-	-	319,847
B- (Fitch)/B- (S&P) SEPLAT 2023	269,562	-	-	269,562
Total	2,205,374	-	-	2,205,374

Movement in Expected Credit Loss (ECL)	Stage 1	Stage 2	Stage 3	Total
	N' 000	N' 000	N' 000	N' 000
At 1 January 2020	23,311	-	-	23,311
New asset purchased	7,759	-	-	7,759
At 31 December 2020	31,070	-	-	31,070
At 1 January 2021	31,070	-	-	31,070
Additions in the year	-	-	-	-
At 30 September 2021	31,070	-	-	31,070

17. Right of return assets and refund liabilities

	30 September 2021	31 December 2020
	N' 000	N' 000
Right of return assets	12,115	14,330
Refund liabilities		
- Arising from retrospective volume rebates	-	-
- Arising from rights of return	13,625	17,195
	13,625	17,195

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

Right of return of assets

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

Refund liabilities

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

18. Right of use assets

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

Right of use assets	Land and Building	Plant and Machinery	Total
	N' 000	N' 000	N' 000
At 1 January 2020	941,799	174,608	1,116,407
Additions	246,469	-	246,469
Depreciation expenses	(337,470)	(133,721)	(471,191)
Lease termination	(402,696)	-	(402,696)
At 31 December 2020	448,102	40,887	488,989
At 1 January 2021	448,102	40,887	488,989
Additions	194,909	248,057	442,966
Depreciation expenses	(184,590)	(97,543)	(282,134)
Lease termination	(15,781)	-	(15,781)
At 30 September 2021	442,640	191,401	634,041

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

	30 September 2021	31 December 2020
	N' 000	N' 000
18. Lease Liability		
Opening balance	475,317	982,117
Accretion interest	69,148	124,497
Additions during the year	347,401	164,568
Payment of principal	(390,965)	(387,350)
Interest payment	-	(74,259)
Lease terminated	(15,781)	(334,256)
Closing balance	485,119	475,317
Current	271,144	250,926
Non-current	213,975	224,391
	485,119	475,317

19. Inventories

	30 September 2021	31 December 2020
	N' 000	N' 000
Raw materials and consumables	20,537,016	16,496,939
Technical stocks and spares	1,525,657	1,425,162
Finished goods and goods for resale	3,814,332	2,548,278
	25,877,006	20,470,379
Write down to net realisable value	(444,159)	(347,308)
	25,432,847	20,123,071

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20. Trade and other receivables

	30 September	31 December
	2021	2020
	N' 000	N' 000
Receivables due within one year		
Trade receivables	2,770,390	3,892,028
Less: allowance for impairment of trade receivables	(1,177,771)	(1,191,031)
Net trade receivables	1,592,619	2,700,997
Receivables from associates	103,360	42,366
Loan receivable from associate	2,668,944	1,143,354
Allowance for expected credit losses on associates and related party receivables	(29,071)	(29,071)
Other receivables	831,618	263,221
Advance payments	1,344,356	315,364
WHT receivable	1,144,139	1,133,430
Prepayments - staff grants	44,357	96,986
Prepayments- Other	609,567	833,643
	8,309,890	6,500,290

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.

	30 September	31 December
	2021	2020
	N' 000	N' 000
Prepayments - Current	653,924	930,629
Prepayments - Non-current	201,360	48,126
Total prepayments	855,284	978,755

The balance on prepayment represent rent and insurance paid in advance which will be charged against earnings in the periods they relate to.

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

	30 September	31 December
	2021	2020
	N' 000	N' 000
Opening balance	1,191,031	1,230,771
Expected credit loss allowance	38,479	77,747
Amount written off	(51,738)	(117,487)
Closing balance	1,177,771	1,191,031

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

	30 September	31 December
	2021	2020
	N' 000	N' 000
Opening balance	29,071	-
Impairment charge for the year	-	29,071
Closing balance	29,071	29,071

	30 September	31 December
	2021	2020
	N' 000	N' 000
20.1 Finance lease receivable		
Gross investment in lease	91,601	91,601
Unearned finance income	(81,229)	(81,229)
	10,372	10,372

	30 September	31 December
	2021	2020
	N' 000	N' 000
Current asset	1,606	1,606
Non-current asset	8,766	8,766
Total finance lease receivable	10,372	10,372

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21. Cash and cash equivalents

	30 September 2021 N' 000	31 December 2020 N' 000
Cash at bank and in hand	1,508,778	1,436,443
Short-term deposits	10,513,575	22,622,311
Expected credit losses on short term deposit	(30,252)	(30,252)
Cash at banks and short term deposits attributable to discontinued operations	241,706	243,812
Cash and short-term deposits	12,233,808	24,272,314

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

In 2015, The Securities and Exchange Commission directed all Registrars to return all unclaimed dividends, which have been in their custody for fifteen months and above, to the paying companies. Included in the cash and short-term deposits is ₦3.6 bn which represents unclaimed dividends received from the Company's registrars, Africa Prudential PLC as at 30 September 2021 (2020: ₦3.38 bn).

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

	30 September 2021 N' 000	31 December 2020 N' 000
Cash at bank and in hand	1,508,778	1,436,443
Short-term deposits	10,513,575	22,622,311
Cash at banks and short term deposits attributable to discontinued operations	241,706	243,812
Bank overdraft	-	-
Balances per statement of cash flow	12,264,060	24,302,566

22. Borrowings

	30 September 2021 N' 000	31 December 2020 N' 000
Current borrowings		
Loans due within one year (note 22(i))	8,251,317	2,503,673
	8,251,317	2,503,673
Non-current borrowings		
Loans due after one year (note 22(ii))	1,738,302	1,735,284
Total borrowings	9,989,619	4,238,957
Opening balance	4,238,957	6,446,520
Repayment of borrowing during the period/year	(25,306,968)	(7,926,033)
Initial fair value of grant	-	(283,631)
Interest on loans	999,356	376,363
Interest paid	(986,263)	(315,532)
Additions	31,044,538	5,941,270
Closing balance	9,989,619	4,238,957

The above borrowings are denominated in Naira

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22. Borrowings (continued)

The borrowings are repayable as follows:

	30 September 2021	31 December 2020
	N' 000	N' 000
Within one year	8,251,317	2,503,673
Between one to two years	1,738,302	1,735,284
	9,989,619	4,238,957

(i) Loans due within one year

Bank	Effective Interest Rate	30 September 2021	31 December 2020	Maturity date	Security
		N' 000	N' 000		
First Bank of Nigeria Ltd	8%(5%)	5,065,555	435,203	Sep-21	No security
FSDH	8.0%	170,000	-	Dec-21	No security
First Bank of Nigeria Ltd - Commercial loan	10.0%	114,699	1,993,367	Aug-21	No security
Zenith bank - Commercial loan	13.0%	1,800,000	-	Sep-22	No security
FSDH	0.0%	1,101,063	75,103	Dec-21	No security
		8,251,317	2,503,673		

The above borrowings are denominated in Naira

(ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	30 September 2021	31 December 2020	Maturity date	Security
		N' 000	N' 000		
Facility					
Grand Cereals Ltd: Sterling Bank Plc & BOI - Agric loan	5.0%	1,408,137	1,735,284	Jul-25	No Security
Famous Brands Limited*	12.0%	330,165	-	May-26	No Security
		1,738,302	1,735,284		

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

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23. Deferred Tax

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

	30 September 2021 N'000	31 December 2020 N'000
Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	-	38,653
– Deferred tax asset to be recovered within 12 months	-	-
Deferred tax assets	-	38,653
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	(4,486,338)	(4,486,338)
– Reclassification of deferred tax asset to deferred tax liability	38,653	-
– Deferred tax liability to be recovered within 12 months	-	-
Deferred tax liabilities	(4,447,685)	(4,486,338)
Net Deferred tax liabilities	(4,447,685)	(4,486,338)

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

	30 September 2021 N'000	31 December 2020 N'000
Opening balance	(4,486,338)	(4,138,842)
Reclassification of deferred tax asset to deferred tax liability	38,653	-
Credited to profit or loss	-	(347,496)
Closing balance	(4,447,685)	(4,486,338)

The movement in deferred tax assets and liabilities during the period is as follows:

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 2020	(97,652)	109,271	-	-	-	-	-	11,619
Charged to profit or loss	11,512	15,522	-	-	-	-	-	27,034
At 31 December 2020	(86,140)	124,793	-	-	-	-	-	38,653
At 1 January 2021	(86,140)	124,793	-	-	-	-	-	38,653
Charged to profit or loss	-	-	-	-	-	-	-	-
Reclassification to deferred tax liabilities	86,140	(124,793)	-	-	-	-	-	(38,653)
At 30 September 2021	(86,140)	124,793	-	-	-	-	-	-

The Group has tax losses of ₦156,869,000 (2020: ₦156,869,000) that are available indefinitely for offsetting against future taxable profits of the Company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Deferred tax liabilities	Property, plant and equipment 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 2020	4,032,504	(241,678)	-	-	(12,464)	786,687	(414,588)	4,150,461
Charged/(credited) to profit or loss	(10,023)	78,088	(54,134)	8,119	85,181	228,646	-	335,877
At 31 December 2020	4,022,481	(163,590)	(54,134)	8,119	72,717	1,015,333	(414,588)	4,486,338
At 1 January 2021	4,022,481	(163,590)	(54,134)	-	72,717	1,015,333	(414,588)	4,486,338
Charged to profit or loss	-	-	-	-	-	-	-	-
Reclassified from deferred tax assets	86,140	(124,793)	-	-	-	-	-	(38,653)
At 30 September 2021	4,108,621	(288,383)	(54,134)	-	72,717	1,015,333	(414,588)	4,447,685

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24. Trade and other payables

	30 September 2021 N' 000	31 December 2020 N' 000
Trade payables	2,269,591	4,081,749
Provision for employee leave	8,344	485
Defined contribution benefit owing to UNICO fund	-	56,612
Other payables	1,375,973	2,145,394
WHT payable	80,730	122,687
VAT payable	402,598	371,888
PAYE payable	30,151	55,801
Accruals	3,169,245	2,995,325
Total	7,336,631	9,829,941

Terms and conditions of the above financial liabilities

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

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

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

25. Government Grant

	30 September 2021 N' 000	31 December 2020 N' 000
Opening balance	267,383	50,107
Amount received during the period/year	-	283,631
Released to the statement of profit or loss	-	(66,355)
Closing balance	267,383	267,383
Current	58,343	58,343
Non-current	209,040	209,040
	267,383	267,383

Government grant relates to government facilities received by Livestock Feeds PLC and Grand Cereals Limited, at below-market rates of interest. The facilities are meant to assist in the procurement of certain items of plant and machinery. The grants are recognised as deferred income and amortised to profit or loss on a systematic basis over the useful life of the assets in line with their respective accounting policies.

26. Contract liabilities

	30 September 2021 N' 000	31 December 2020 N' 000
Opening balance	1,340,627	869,259
Deferred during the period/year	2,041,788	663,890
Refund	(189)	-
Released to the statement of profit or loss	(1,329,841)	(192,522)
Closing balance	2,052,384	1,340,627

This relates to consideration paid by customers before the transfers of goods or services. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

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27. Dividend payable

	30 September 2021 N' 000	31 December 2020 N' 000
Opening balance	6,084,307	5,517,803
Dividend declared	4,388,283	429,260
Dividend paid during the year to NCI	(936,327)	(130,404)
Dividend paid during the year to equity holders of the parent company	(3,457,556)	(288,130)
Statute barred unclaimed dividend written back	-	(10,677)
Unclaimed dividend refunded	(175,427)	566,456
Closing balance	5,903,279	6,084,307

28. Provisions

The Group	Provisions N'000	Legal claim N'000	Decommissioning liability N' 000	Total N' 000
At 1 January 2020	6,000	89,948	7,387	103,335
Unwinding of discount	-	-	970	970
Charge to profit or loss	-	99,070	-	99,070
Derecognised on payment	-	(2,500)	(2,000)	(4,500)
Provision write back	-	(500)	-	(500)
31 December 2020	6,000	186,018	6,357	198,375
Current	6,000	186,018	-	192,018
Non-current	-	-	6,357	6,357
At 1 January 2021	6,000	186,018	6,357	198,375
Derecognised on payment	-	(99,070)	-	(99,070)
Provision write back	-	-	-	-
30 September 2021	6,000	86,948	6,357	99,305
Current	6,000	86,948	-	92,948
Non-current	-	-	6,357	6,357

Decommissioning liability

UAC Restaurants Limited has a number of leasehold properties converted to Restaurants, which are required by agreements to be restored back to their original condition upon the expiry of the leases. Decommissioning Liability relates to the provisions made for decommissioning costs relating to these properties. Management has applied its best judgement in determining the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rate and currency exchange rates amongst others, were considered in this estimate. 18% discount rate for the unwinding of the discount on the liability was determined using the "Capital Asset Pricing Model". The obligation is expected to crystallise in 2030.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rates did not reflect risks for which future cash flow estimates have been adjusted.

Contingent liabilities

The Group is involved in some legal action in the ordinary course of the business. The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle these obligations and accordingly no provision has been made in the condensed consolidated financial statements.

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29. Share Capital
Group

	30 September 2021		31 December 2020	
	Number 000	Amount N' 000	Number 000	Amount N' 000
Authorised:				
Ordinary Shares of 50k each	3,000,000	1,500,000	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000	400,000	200,000
Total authorised share capital	3,400,000	1,700,000	3,400,000	1,700,000
Issued and fully paid:				
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648
Total called up share capital	2,881,296	1,440,648	2,881,296	1,440,648

Unissued share capital

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

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.

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

	Note	30 September	30 September
		2021 N' 000	2020 N' 000
Profit before tax from continuing operations		1,377,731	2,474,151
(Loss)/profit before tax from discontinued operations		(2,105)	513,640
Adjustment for net finance cost/(income)	7	147,701	(341,291)
Operating profit		1,523,328	2,646,500
<i>Adjustments to reconcile operating profit to net cash flows</i>			
Amortisation of intangible assets	6	25,770	39,269
Depreciation charge on property, plant and equipment	6	1,570,633	1,511,408
Depreciation charge on right of use asset	6	282,134	383,574
Write off of inventories to net realisable value	6	117,427	-
Expected credit loss on trade receivables	5i	38,479	53,126
Effects of exchange rate changes	16	(10,103)	(87,888)
Unwinding of government grant		-	(61,040)
Share of loss/(profit) in associate	15	612,406	(115,418)
Profit on disposal of subsidiary	31c	-	(3,146,244)
Loss/(Profit) on sale of tangible PPE	5	26,830	(2,753)
Profit on sale of non current asset held for sale	5	(160,068)	-
Provision derecognised	28	(99,070)	(3,000)
Operating cash flows before movements in working capital		3,927,763	1,217,534
Movements in working capital:			
Changes in inventories		(5,427,203)	3,557,455
Changes in trade and other receivables and prepayments		(2,019,393)	(185,791)
Changes in contract liabilities		711,757	273,921
Changes in trade and other payables		(2,493,310)	(758,797)
Changes in right of return asset		2,215	(5,440)
Changes in finance lease receivable		-	(10,375)
Changes in refund liability		(3,570)	8,834
Net cash (used in)/generated from operations - continuing operations		(5,301,741)	4,097,341
Changes in assets and liabilities		-	2,583,408
Net cash from operations - discontinued operations		-	2,583,408
Net cash generated from/(used in) operations		(5,301,741)	6,680,749

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31a. Non-current assets held for sale/distribution

Following the approval by the Board of Directors in November 2019, part of a manufacturing facility within the Paints segment was presented as non-current asset held for sale. In June 2021, a part of the facility with cost of N10,060,000 and a carrying value of N6,774,442 was disposed for the sum N166,842,925 and a profit on disposal was recognised as is disclosed in Note 5. Despite the inability to complete the sale of the asset within 12 months, management is still committed to the disposal of the remaining asset. Hence, the continual classification of the asset as a non-current asset held for sale with the carrying value of N242,284,000 (2020: N265,496,000).

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 which is lower than its fair value of N3.64billion as at 30 September 2021 (see note 15).

	30 September 2021 N'000	31 December 2020 N'000
Opening balance	265,496	-
Transfer from investment in associates (UPDC REIT)	3,571,660	-
Transfer (to)/from PPE	(13,154)	265,496
Cost of asset disposed	(10,060)	-
Closing balance	<u>3,813,942</u>	<u>265,496</u>

31b. Liabilities classified as held for distribution to owners

UPDC Real Estate Investment Trust

On the 20th of September 2020, the Shareholders of UAC approved the distribution of the 649,392,661 units of UPDC REITs held by the company to shareholders on a pro rata basis. Consequently, N3.64 billion representing the fair value of the units to be distributed has been recognized as 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 30 September 2021 as quoted on the Nigerian stock exchange (level 1 of the fair value hierarchy).

31c. Disposal group held for sale and discontinued operations

Disposal group held for sale/distribution to owners

UPDC PLC

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

	30 September 2021 N'000	31 December 2020 N'000
Tranche 1		
Cash consideration	-	662,591
Transaction charges	-	(3,524)
Carrying amount of net asset disposed	-	(744,864)
Loss on disposal	<u>-</u>	<u>(85,797)</u>

	30 September 2021 N'000	31 December 2020 N'000
Tranche 2		
Cash consideration	-	5,931,601
Share of net asset of subsidiary*	-	(14,014,745)
Investment in associate	-	7,316,892
Transaction charges	-	31,717
Loss on disposal of discontinued operations	<u>-</u>	<u>(734,535)</u>

UAC of Nigeria PLC
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31c. Disposal group held for sale and discontinued operations (continued)

Cash proceed from sale as shown in cash flow statement	30 September	31 December
	2021	2020
	N'000	N'000
Cash proceed from disposal	-	6,590,668
Less cash and cash equivalent balance	-	(2,472,762)
Net cash proceed from disposal	-	4,117,906

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

MDS Logistics (MDS)

On July 2019, UACN entered into an agreement to sell 8% of its shareholding in MDS to Imperial Capital Limited (ICL). Consequent to the sale, UACN owns 43% of MDS thereby ceding control. The transaction was concluded in the 2020 financial year, and profit from the disposal of MDS was reported under IFRS 5 as non current asset held for disposal/distribution and discontinued operations.

	30 September	31 December
	2021	2020
	N'000	N'000
Cash consideration	-	866,400
*Share of net asset of subsidiary	-	(2,377,056)
Investment in associate	-	4,656,900
Profit on disposal of discontinued operations	-	3,146,244

Cash proceed from sale as shown in cash flow statement	30 September	31 December
	2021	2020
	N'000	N'000
Cash proceed from disposal	-	866,400
Less cash and cash equivalent balance	-	(427,451)
Net cash proceed from disposal	-	438,949

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

UNICO CPFA Limited (UNICO)

Members of UNICO CPFA, at an Extra-Ordinary General Meeting, approved the voluntary winding up of the company on February 6, 2019. The Company is thus in liquidation. Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2018.

Exception to one year requirement:

IFRS 5 requires that except for certain exceptions, the sale of a non-current asset or disposal group is expected to qualify for recognition as a completed sale within one year from the date of classification. However, during the year, there were certain factors considered to be beyond the control of management which have invariably extended the sale period beyond one year. As part of the voluntary winding up process, the assets of UNICO will be sold and liabilities settled. The winding up process is expected to be concluded in FY 2021.

UAC of Nigeria PLC

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

	UNICO 30 September 2021 N'000	TOTAL 30 September 2021 N'000	UNICO 31 December 2020 N'000	TOTAL 31 December 2020 N'000
Assets				
Non-current assets:				
Property, plant and equipment	2,920	2,920	2,920	2,920
Deferred tax asset	945	945	945	945
	3,865	3,865	3,865	3,865
Current assets				
Inventories	-	-	-	-
Trade and other receivables	-	-	-	-
Statutory Reserve Fund Account	-	-	-	-
	-	-	-	-
Total	3,865	3,865	3,865	3,865
Liabilities				
Current liabilities				
Trade and other payables	34,089	34,089	34,089	34,089
Current income tax liabilities	8,004	8,004	8,004	8,004
	42,094	42,094	42,094	42,094
Total	42,094	42,094	42,094	42,094

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

	UNICO 30 September 2021 N'000	TOTAL 30 September 2021 N'000	MDS 30 September 2020 N'000	UNICO 30 September 2020 N'000	UPDC 30 September 2020 N'000	TOTAL 30 September 2020 N'000
Revenue	-	-	-	2,099	413,893	415,992
Cost of sales	-	-	-	-	(348,614)	(348,614)
Gross profit	-	-	-	2,099	65,279	67,378
(Loss)/gain on disposal of investment properties	-	-	-	-	(43,375)	(43,375)
Other income/(loss)	-	-	-	(945)	99,731	98,786
Selling and distribution expenses	-	-	-	-	(44,111)	(44,111)
Administrative expenses	(2,105)	(2,105)	-	-	(503,297)	(503,297)
Financial guarantee	-	-	-	-	(775,920)	(775,920)
Operating profit	(2,105)	(2,105)	-	-	(1,201,693)	(1,200,539)
Finance income	-	-	-	-	3,051	3,051
Finance cost	-	-	-	-	(578,352)	(578,352)
Share of profit of associates	-	-	-	-	-	-
Loss before impairment	(2,105)	(2,105)	-	-	(1,776,994)	(1,775,840)
(Loss)/Profit before tax	(2,105)	(2,105)	-	1,154	(1,776,994)	(1,775,840)
Tax expense:						
Related to pre-tax profit/(loss) from the ordinary activities for the period	-	-	-	-	(62,454)	(62,454)
Loss after tax	(2,105)	(2,105)	-	1,154	(1,839,448)	(1,838,294)
Profit/(loss) from discontinued operations	-	-	3,146,244	-	(114,752)	3,031,492
Impairment of assets of disposal group held for sale	-	-	-	-	(742,012)	(742,012)
(Loss)/profit from discontinued operations	(2,105)	(2,105)	3,146,244	1,154	(2,696,212)	451,186
Other Comprehensive income						
Total comprehensive (loss)/income for the period net of tax	(2,105)	(2,105)	3,146,244	1,154	(2,696,212)	451,186

Cashflows from discontinued operations:

The net cash flows incurred are as follows:

	UNICO 30 September 2021 N'000	TOTAL 30 September 2021 N'000	UPDC 30 September 2020 N'000	TOTAL 30 September 2020 N'000
Operating	(2,105)	(2,105)	175,196	175,196
Investing	-	-	309,091	309,091
Financing	-	-	(803,977)	(803,977)
Net cash outflows	(2,105)	(2,105)	(319,690)	(319,690)

UAC of Nigeria PLC

Shareholding Structure/Free Float Status

Company Name:

UAC of Nigeria PLC

Board Listed:

Main Board

Year End:

31 December

Reporting Period:

30 September 2021

Share Price at end of reporting period:

N10.25

Description	30 September 2021	
	Units	Percentage
Issued Share Capital	2,881,296,579	100%
Substantial Shareholdings (5% and above)		
Themis Capital Management	279,398,403	9.70%
Total Substantial Shareholdings	279,398,403	9.70%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
Mr. Daniel Owor Agbor	35,000,000	1.21%
Mr. Folasope Babasola Aiyesimoju	77,631,569	2.69%
Dr. Vitus Ezinwa	1,485,174	0.05%
Mrs. Babafunke Adesua Ijaiya-Oladipo	237,740	0.01%
Dr. Umaru Alka	8,109	0.00%
Mrs. Suzanne Olufunke Iroche	-	0.00%
Mr. Babatunde Oladele Kasali	10,000	0.00%
Dr. Okechukwu John Mbonu	7,603,344	0.26%
Mr. Karl Olutokun Toriola	-	0.00%
Mr. Bolaji Odunsi	-	0.00%
Total Directors' Shareholdings	121,975,936	4.23%
Other Influential Shareholdings		
Cardinalstone Account CPM	142,999,574	4.96%
UBA Nominiees Ltd - Trading	115,766,895	4.02%
Dalio Property Development Limited	113,918,175	3.95%
Metropolitan Life Insurance Nig Ltd	95,783,885	3.32%
Total Other Influential Shareholdings	468,468,529	16.26%
Free Float in Units and Percentage	2,011,453,711	69.81%
Free Float in Value	₦ 20,617,400,537.75	

Declaration:

UAC of Nigeria PLC, with a free float percentage of 69.81% as at 30 September 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.