UAC of Nigeria PLC
Consolidated and Separate Financial Statements for the year ended 31 December 2023

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2023

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Corporate Information

Board of Directors

Mr. Daniel Owor Agbor	Non-Executive Chairman
Mr. Folasope Babasola Aiyesimoju	Group Managing Director
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director
Dr. Vitus Chidiebere Ezinwa	Chief Operating Officer (Resigned effective 27 July 2023)
Mr. Adebolanle Oluwademilade Badejo	Group Investment Director (Appointed with effect from July 28, 2023)
Mr. Khalifa Adebayo Biobaku	Non-Executive Director
Mr. Babatunde Oladele Kasali	Non-Executive Director (Retired effective 21 June 2023)
Mr. Bolaji Adekunle Odunsi	Independent Non-Executive Director
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director
Mr. Karl Olutokun Toriola	Independent Non-Executive Director

Company Secretary/Group General Counsel
Ayomipo Wey
Email: info@uacnplc.com

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

Company Website
www.uacnplc.com

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

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

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

Tax Identification Number (TIN)
01767079-0001

Investor Relations Statement

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

Financial Highlights to the Audited Consolidated and Separate Financial Statements

	Group			Company		
	2023	**2022**	**%**	**2023**	**2022**	**%**
	N'000	**N'000**	**change**	**N'000**	**N'000**	**change**
Revenue	120,528,463	109,270,399	10	1,142,234	1,008,941	13
Operating Profit/(loss)	9,092,633	(2,383,926)	n/m	6,537,233	441,687	n/m
Net finance income/(cost)	2,387,818	(2,084,834)	n/m	3,377,129	289,021	n/m
Profit/(loss) before minimum tax	12,340,054	(4,365,316)	n/m	9,914,362	730,708	n/m
Minimum tax	(356,275)	(456,730)	(22)	-	-	-
Income tax (expense)/credit	(3,075,665)	822,543	n/m	(1,374,991)	(48,880)	n/m
Profit/(loss) after tax for the year from continuing operations	8,908,114	(3,999,503)	n/m	8,539,371	681,828	n/m
Profit/(loss) after tax for the year from discontinued operations	-	6,508	n/m	-	-	-
Profit/(loss) for the year	8,908,114	(3,992,995)	n/m	8,539,371	681,828	n/m
Total equity	53,181,592	45,280,211	17	39,166,370	31,286,674	25
Total equity and liabilities	112,345,472	93,827,611	20	54,385,890	40,620,810	34
Cash and cash equivalents	25,269,620	16,196,969	56	15,840,658	4,957,606	220
Earnings/(loss) per share (kobo) - Basic	314	(107)	n/m	295	24	1,152
Dividend per share (kobo) - Actual	-	22	n/m	-	22	n/m
Dividend per share (kobo) - Proposed	22	-	n/m	22	-	n/m
NGX quotation as at December 31 (kobo)	1,285	1,025	25	1,285	1,025	25
Number of shares in issue ('000)	2,926,132	2,926,132	(0)	2,926,132	2,926,132	(0)
Market capitalisation as at December 31 (N'000)	37,600,792	29,992,851	25	37,600,792	29,992,851	25

n/m - Not meaningful

Directors' Report

The Directors have the pleasure of presenting the annual report for the year ended 31st December 2023, together with the audited consolidated and separate financial statements of UAC of Nigeria PLC and its subsidiaries (the "Group").

Profit for the year

	Group		Company	
	2023	**2022**	**2023**	**2022**
	₦'000	₦'000	₦'000	₦'000
Profit/(loss) for the year	8,908,114	(3,992,995)	8,539,372	681,828

Dividend

The Directors have recommended the payment of an ordinary dividend of 22 Kobo (2022: 22 Kobo) per ordinary share to members. The resolution to this effect will be put to the meeting, for the approval of members.

Activities

UAC of Nigeria PLC is a holding company with five (5) subsidiaries with interests organised around four (4) principal sectors as follows: Animal Feeds and other Edibles, Paints, Packaged Food and Beverages, and Quick Service Restaurants. The Company also has interests in a leading logistics company as well as a real estate development company.

Corporate Governance

This Corporate Governance Report (this "Report") contains detailed information on the Company's governance structures, policies, and practices, as well as insights into environmental and social risks and opportunities. The Company's corporate governance is structured in compliance with the provisions of its Memorandum and Articles of Association; and applicable statutory provisions as may be amended from time to time, such as the Companies and Allied Matters Act of 2020 ("CAMA"), the Investment and Securities Act No. 29 of 2007, the Securities and Exchange Commission's Corporate Governance Guidelines ("SCGG"), the Nigerian Code of Corporate Governance of 2018 (the "NCCG"), and the Rules and Regulations of the Securities and Exchange Commission and the Rule Book of the Nigerian Exchange Limited.

The Board of Directors

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

As at the time of this Report, the Company's Board of Directors (the "Board") comprises eight (8) members consisting of five (5) Non-Executive Directors and three (3) Executive Directors. The Board is headed by a Non-Executive Chairman, distinct from the Group Managing Director ("GMD"). The GMD leads the management team of the Company in accordance with the Board's mandate. The current members of the Board and their classification are as follows:

Mr. Daniel O Agbor	Non-Executive Chairman
Mr. Khalifa A Biobaku	Non- Executive Vice Chairman
Mr. Folasope B Aiyesimoju	Group Managing Director
Mrs. Babafunke A Ijaiya-Oladipo	Group Finance Director
Mr. Adebolanle O Badejo	Group Investment Director
Mr. Bolaji A Odunsi	Independent Non-Executive Director
Mrs. Suzanne O Iroche	Independent Non-Executive Director
Mr. Karl O Toriola	Independent Non-Executive Director

All Directors have access to the advice, guidance and services of the Company Secretary. With the approval of the Chairman of the Board, Non-Executive Directors may elect to seek advice from third-party professionals in areas where such advice will enhance the quality of their contributions to Board deliberations.

The following are matters reserved for the Board:

a) Considering and making decisions on Company policies and strategies formulated and presented to the Board by senior management, as well as oversight of the management and conduct of the business;
b) Oversight over, and approval of, the Company's risk management framework;
c) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management;
d) Oversight of the effectiveness and adequacy of internal control systems;
e) Oversight of the maintenance of the Company's communication and information dissemination policies;
f) Performance appraisals and compensation for Board members and senior executives;
g) Ensuring effective communication with shareholders and the investing public;
h) Ensuring the integrity of financial controls and reports;
i) Ensuring ethical standards are maintained including approving and enforcing a code of ethics and business practices for the Company, employees and Directors;
j) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and the Nigerian Code of Corporate Governance 2018;
k) Defining the scope of authority delegated to Board Committees and senior management, including relevant checks and balances; and
l) Defining the scope of corporate social responsibility through the approval of relevant policies.

Gender diversity and proportion of women in UAC of Nigeria PLC
The Company remains committed to ensuring equal workplace opportunities regardless of gender, within the organization. There is notable representation of women within middle and senior management, as well as at the board level across the Group.

Board appointment process, induction and training of board members
The process for appointing Directors involves an assessment to identify the necessity of appointing an additional Director, either to fill a vacancy or otherwise. The curriculum vitae of suitable candidates proposed by Board members, taking into consideration the required skills, competence and experience, are referred to the Governance and Remuneration Committee (the "GRC").

The GRC reviews the suitability of potential candidates in line with the Board's requirements and may seek input from stakeholders, including Directors, shareholders, advisers, consultants, and senior management. If the requirement is for an Executive Director, the GRC will rely on input from the GMD and the Chief Operating Officer ("COO"). Where the role to be filled is that of the GMD, the Board Chairman shall be engaged.

Changes on the Board are timeously communicated to relevant regulatory authorities and the investing public. Any Director who is appointed by the Board is presented at the next Annual General Meeting of the members of the Company for election in line with statutory requirements. In line with 285 CAMA, one-third of the non-executive members of the Board retire by rotation at Annual General Meetings. These board members have the option to present themselves for re-election to the Board at Annual General Meetings.

Directors' induction and training
Newly appointed Non-Executive Directors receive detailed letters of appointment from the Company while Executive Directors enter into contracts of service that are negotiated and agreed upon. Letters of appointment set out the terms of reference of the Board and its Committees, the Board structure, the Board Plan for the current year, remuneration, demands on his/ her time, and disclosure requirements. Letters of appointment are accompanied by induction packs containing relevant Company documents and policies such as the Memorandum and Articles of Association of the Company; the Company's latest Annual Report and Accounts; SCGG; the NCCG; the Company's Code of Business Conduct; and major policies of the Company approved by the Board. Newly appointed Directors are provided with Board and Board Committee minutes to help them gain valuable insights and have a better understanding of the key deliberations of the Board in the preceding years. In addition, newly appointed Directors receive briefings on various aspects including UAC legacy, core values and business verticals. The orientation covers corporate governance framework; fiduciary duties of Directors; the Company's delegation of authority framework; the Company's investor relations; and performance and talent management at the Company. Additionally, they are also given an overview of the Company's budget to enhance their understanding of its financial landscape.
Furthermore, the Directors hold sessions with the Executive Management, who provide insight regarding the Company's operations. To further enhance their knowledge and skills, periodic training programs are organized for Board members from time to time. This continuous learning approach ensures that Directors stay informed and well-equipped to fulfil their roles effectively.

Board Evaluation
To assess the effectiveness of the Board, Board Committees and individual Directors, a comprehensive Board evaluation was conducted for the financial year ended, December 31, 2023. As permitted by relevant laws, the evaluation for the 2023 financial year was conducted by the Company Secretary. Upon completion of the evaluation exercise, the Company Secretary opined that the Board, to a significant extent entrenches corporate governance best practices, complied with governance principles, procedures and practices stipulated by the NCCG and the SCGG. The Company Secretary also reviewed the recommendations proposed by DCSL Corporate Services Limited during the 2022 Board evaluation exercise and found that all of said recommendations have been implemented.

Corporate Governance Assessment

To assess the corporate governance effectiveness of the Company, a comprehensive corporate governance assessment was conducted for the financial year ended, December 31, 2023. As permitted by relevant laws, the corporate governance assessment for the 2023 financial year was conducted by the Company Secretary. Upon completion of the exercise, the Company Secretary opined that the Company and the Board are in substantial compliance with corporate governance best practices, complied with governance principles, procedures and practices stipulated by the NCCG and the SCGG. The Company Secretary also reviewed the recommendations proposed by DCSL Corporate Services Limited during the 2022 Corporate Governance assessment exercise and found that all of said recommendations have been implemented.

Retirement, Re-Election, and Election of Directors
Retirement
Mr. Babatunde Kasali, a Non-Executive Director and member of the Board Governance and Remuneration Committee, retired from the Board effective June 21, 2023.

The Board extends its sincere appreciation to Mr. Kasali for his contributions and dedication since his appointment in 2013 and wishes him all the best as he proceeds on retirement from the Board.

Re-Election and Retirement
In accordance with Article 90 (3) of the Articles of Association of the Company and Section 285 of CAMA, the directors retiring by rotation are Mr. Bolaji Odunsi and Mr. Khalifa Biobaku. Mr. Bolaji Odunsi and Mr. Khalifa Biobaku being eligible, offer themselves for re-election. The biographical information of Mr. Bolaji Odunsi and Mr. Khalifa Biobaku are contained on the Company's website (www.uacnplc.com).

Appointment/Election
Mr. Adebolanle Badejo, the Group Investment Director, who was appointed to the Board since the last Annual General Meeting, will retire at the meeting, and being eligible, offers himself for election. Mr. Adebolanle Badejo's biographical information is contained on the Company's website (www.uacnplc.com).

Board meetings

The Board met six (6) times during the 2023 financial year. The following table shows the attendance of Directors at the Board Meetings:

Attendance of Directors at 2023 Board Meetings

Directors	29/3/2023	28/4/ 2023	21/6/2023	28/7/2023	27/10/2023	8/12/2023
Mr. Dan Agbor	P	P	P	P	P	P
Mr. Folasope Aiyesimoju	P	P	P	P	P	P
Dr. Vitus Ezinwa (resigned w.e.f 27/07/2023)	P	P	P	NLM	NLM	NLM
Mrs. Funke Ijaiya-Oladipo	P	P	P	P	P	P
Mr. Adebolanle Badejo (appointed w.e.f. 28/07/2023)	NYM	NYM	NYM	NYM	P	P
Mr. Babatunde Kasali (retired w.e.f 21/06/2023)	P	P	NLM	NLM	NLM	NLM
Mr. Bolaji Odunsi	P	P	P	AWA	AWA	P
Mrs. Suzanne Iroche	P	P	P	P	P	P
Mr. Karl Toriola	AWA	P	P	P	P	P
Mr. Khalifa Biobaku	P	P	P	P	P	P

Keys:
P – Present
AWA - Absent with apology
NLM - No longer a member
NYM - Not yet a member

Composition of Board Committees

In the 2023 financial year, the Board functioned through two (2) Board Committees, namely: Risk Management Committee and Governance and Remuneration Committee. Board Committees provide recommendations for approval by the full Board.

1. The Risk Management Committee

As of December 31, 2023, the Risk Management Committee comprised three (3) members, two (2) Non-Executive Directors and the GMD.

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

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

The Committee met four (4) times during the 2023 financial year. The following table shows the attendance of members

Directors	27/3/2023	25/4/2023	25/7/2023	24/10/2023
Mr Bolaji Odunsi	P	P	AWA	P
Mr Folasope Aiyesimoju	P	P	P	P
Mrs Babafunke Ijaiya-Oladipo	P	P	P	NLM
Mr Karl Toriola	AWA	AWA	AWA	NLM
Mr Khalifa Biobaku	P	P	P	P

Keys:
P – Present
AWA – Absent With Apology
NYM – Not Yet a Member
NLM – No Longer a Member

2. The Governance and Remuneration Committee
As of December 31, 2023, the Governance and Remuneration Committee comprised three (3) members who are Non-executive Directors. Mrs. Suzanne Iroche, an Independent Non-Executive Director of the Company, is the Chairperson of the Committee. The GMD's participation in the Committee meetings was limited to presenting reports and providing detailed explanations on people management and remuneration proposals (if any).

The following are the terms of reference of the Governance and Remuneration Committee:

a) Review the structure, size, composition, and commitment of the Board at least annually, and make recommendations on any proposed changes to the Board;
b) Drive a formal and transparent process for Board appointments;
c) Assess the contribution of current Board members against their re-nomination suitability, and provide input to Board deliberations in this regard;
d) Identify individuals suitably qualified to become Board members and make recommendations to the Board for their nomination and appointment as Board members;
e) Periodically determine the skills, knowledge and experience required on the Board and its committees;
f) Ensure that the Company has a formal programme for the induction and training of Board members;
g) Ensure that the Company has a succession policy, and plan in place for the Chairman of the Board, the Group Managing Director, and all other Executive Directors, and Non-Executive Directors, to ensure leadership continuity;
h) Apply the Company's Remuneration Policy to executive management, and performance evaluation;
i) Adopt incentive plans, and various governance responsibilities related to remuneration;
j) Recommend to the Board a Company remuneration structure for all Directors and executive management;
k) Ensure the periodic review of the Board Charter, the Board Committee Charters, and other governance policies, including the Company's Code of Business Conduct, the Company's Conflict of Interest Policy, and the Company's Whistleblowing Policy.
l) Ensure that a formal and rigorous annual evaluation of the Board's performance, and that of its committees, the Board Chairperson, and individual Directors, is carried out, and that the evaluation exercises are supervised by the GRC, and are carried out annually, and that each evaluation is carried out by an independent external consultant; and
m) Ensure that a formal and rigorous annual evaluation of corporate governance, including the extent of application of all relevant corporate governance legislation and regulations, is carried out, and that the evaluation exercise is supervised by the GRC, and is carried out annually, and that each evaluation is carried out by an independent external consultant.

Committee Meetings
The Governance and Remuneration Committee met three (3) times during the 2023 financial year. The following table shows the attendance of committee members at the meetings.

Directors	29/3/2023	27/7/2023	26/10/2023
Mr Suzanne Iroche	P	P	P
Mr. Babatunde Kasali (retired w.e.f 21/06/2023)	P	NLM	NLM
Mr. Khalifa Biobaku	P	P	P
Mr Karl Toriola	NYM	NYM	AWA

Key: -
P – Present
AWA – Absent With Apology
NYM – Not Yet a Member
NLM – No Longer a Member

The Statutory Audit Committee
The Statutory Audit Committee consists of five (5) members, made up of three (3) representatives of shareholders elected at the previous Annual General Meeting for a tenure of one (1) year; and two (2) representatives of the Board of Directors nominated by the Board. The Chairman of the Committee is Mr. Olabisi Fayombo, a Chartered Accountant, lawyer, and shareholder representative. The Company Secretary is the Secretary to the Committee. In accordance with CAMA, the number of Non-executive Directors in the Committee stands at two (2). Some meetings of the Committee were attended by representatives of our outsourced Internal Audit Service Provider (and later the Group Internal Auditor) and our Independent External Auditors. The Committee operates within the provisions of CAMA; SCGG; the NCCG; and the Company's Audit Committee Charter.

The Statutory Audit Committee met four (4) times during the 2023 financial year. The following table shows attendance of members at the meetings.

Members	28/3/2023	26/4/2023	26/7/20223	25/10/2023
Mr Olabisi Fayombo	P	P	P	P
Mr Matthew Akinlade	P	P	P	P
Mr Kenneth Nwosu Nnabike	P	P	P	P
Mr Babatunde Kasali (retired w.e.f 21/06/2023)	P	P	NLM	NLM
Mr Bolaji Odunsi	P	P	AWA	P
Mr Khalifa Biobaku	NYM	NYM	P	P

Keys:
P – Present
AWA – Absent With Apology
NYM – Not Yet a Member
NLM – No Longer a Member

Terms of Reference of the Statutory Audit Committee

The following are the terms of reference of the Committee:

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

Control Environment

The Board Risk Management Committee reviews the risk environment of the Company at its quarterly meetings and ensures that internal audit, external audit, and risk and compliance recommendations are fully implemented. A Code of Business Conduct is in place to safeguard business integrity and promote consistent organizational behaviour, by defining and instituting control measures against bribery, fraud and corrupt practices. The Code of Business conduct was reviewed in the 2023 financial year to ensure its applicability to Directors of the Company, updating the whistleblowing lines and creating a reporting line which Directors can report insider trading and conflict of interest to Company Secretary and Group General Counsel. The Company has a Management Risk Committee that ensures risk is proactively and holistically managed and also makes recommendations to the Board Risk Management Committee on risk and control-related matters.

The Company transitioned from an outsourced internal audit services of PricewaterhouseCoopers to the employment of an experienced internal audit professional as Group Internal Auditor. The Company retains the whistle-blowing ethics line services of KPMG Professional Services.

Securities Trading Policy

In compliance with the Rules of Nigerian Exchange Limited, the Company has a Securities Trading Policy to guide Employees and Directors of the Company, persons closely connected to them, and all other insiders of the Company, on trading in the securities of the Company. Under the policy, the closed period shall be effective from the end of the financial period in review (quarterly, half-yearly, and full year) or 15 calendar days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price-sensitive information as defined in the Issuer's rules of Nigerian Exchange Limited, or the date of circulation of the agenda and Board papers pertaining to any price-sensitive information, whichever is earlier, except for the declaration of financial results and dividends which shall be treated under Rule 17.18 (a) (i). Closed periods shall end 24 hours after the price-sensitive information is submitted to Nigerian Exchange Limited via its Issuers' Portal. The trading window shall thereupon be open. We hereby confirm that no Director traded in the securities of the Company within any of the closed periods during the 2023 financial year.

Shareholders Complaints Management Policy

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

Tenure of Directors, Professional Advisers and Consultants
Board of Directors

Name	Designation	Years in service
Mr. Daniel Agbor	Non-Executive Chairman	8 years 1 month
Mr. Folasope Aiyesimoju	Group Managing Director	5 years 9 months
Mrs. Babafunke Ijaiya-Oladipo	Group Finance Director	2 years 5 months
Mr. Adebolanle Badejo	Group Investment Director	5 months
Mr. Bolaji Odunsi	Independent Non-Executive Director	5 years 2 months
Mr. Khalifa Biobaku	Non-Executive Director	1 year 9 months
Mrs. Suzanne Iroche	Independent Non-Executive Director	4 years 4 months
Mr. Karl Toriola	Independent Non-Executive Director	4 years

Consultants and Professional Advisers

Name	Services	Tenure
PricewaterhouseCoopers	Internal Audit Service Provider	2 years 4 months (appointed 2021)
KPMG Professional Services	External Auditor	2 years 6 months (appointed 2021)
KPMG Professional Services	Whistle Blowing Ethics Lines	8 years (appointed 2015)
Deloitte and Touche	Tax Advisory and Consultancy	3 years 10 months (appointed 2020)

Directors' Interest in Shares

	Wednesday, March 29, 2023		Thursday, March 28, 2024	
Name	**Direct holdings**	**Indirect holdings**	**Direct holdings**	**Indirect holdings**
Mr. Daniel Agbor	Nil	35,000,000	Nil	35,000,000
Mr. Folasope Aiyesimoju	46,999,122	657,069,717	46,999,122	657,069,717
Dr. Vitus Ezinwa (resigned w.e.f 27/07/2023)	1,563,800	Nil	N/A	N/A
Mrs. Babafunke Ijaiya-Oladipo	250,326	Nil	250,326	Nil
Mr. Babatunde Kasali (retired w.e.f 21/06/2023)	10,000	Nil	N/A	N/A
Mr. Adebolanle Badejo	Nil	Nil	Nil	Nil
Mr. Bolaji Odunsi	Nil	Nil	Nil	Nil
Mrs. Suzanne Iroche	Nil	Nil	Nil	Nil
Mr. Khalifa Biobaku	Nil	172,693,669	Nil	172,693,669
Mr. Karl Toriola	Nil	Nil	Nil	Nil

Mr Daniel Agbor's indirect shareholding is held through Oakbrook Investments Limited.
Mr. Folasope Aiyesimoju and Mr. Khalifa Biobaku are directors in Themis Capital and AM&P with a combined holding of 657 million units .
Mr. Biobaku is a director and shareholder of Dalio Property Development Company Limited which owns 172,693,669 shares.

Directors' Interest in Contracts

Mr. Daniel Agbor is the Senior Partner of the law firm Udo Udoma & Belo-Osagie, which renders legal services to the Company from time to time.

Statement on the Availability of the Code of Business Conduct and Ethics for Directors, Management and Other Employees

The Directors and employees of UAC of Nigeria PLC and its subsidiary companies have agreed to abide by the provisions of the Company's Code of Business Conduct. This is done on an annual and on-going basis.

The highlights of our human resource policies and internal management structure, including relations with employees, and other workplace development initiatives are included in the Company's 2023 Annual Report.

The highlights of sustainability policies and programmes covering social issues such as corruption; community service; environmental protection; serious diseases; and initiatives relating to environmental, social, and governance matters are included in the Company's 2023 Annual Report.

Claw Back Provisions
In line with Section 16.9 of the NCCG, Executive Directors contracts have claw back provisions.

Regulatory Sanctions and Penalties
UAC of Nigeria PLC did not incur any fine or penalty by any Regulator in the 2023 financial year, and indeed up to the reporting date.

Properties, plant and equipment
Information relating to changes in property, plant and equipment is disclosed in note 13 of the Financial Statements.

Donations
Charitable donations amounted to ₦16.3million (2022: ₦25.3million) for the Group and ₦3.2million (2022: ₦7.3million) for the Company.

Donations made during the year are listed below:

Company	Description of Donations	State	Amount N'000
UACN	The provision of medical equipment for the pediatric section of Orile Agege General Hospital, Agege Lagos State (OAGH	Lagos state	3,123
	Donations of packs of water to support the Marcelle Ruth Cancer walk	Lagos state	51
Chemical and Allied Products PLC	Repainting of Finger of God Orphanage, Lagos. (Paint donation and application, volunteers etc.)	Lagos state	5,119
	Repainting of Royal Diamond Orphanage Lagos	Lagos state	1,731
	Start Right Nursery & Primary School, Lagos (Paint donation)	Lagos state	1,114
	MAN Centre Police Station Wemabod, Lagos (Paint donation)	Lagos state	192
UAC Foods Limited	Scholarship for twenty (20) students from four (4) community secondary schools in Kerang, Plateau State	Plateau state	800
	Renovation of Kerang District Head Office	Plateau state	2,481
	Repainting and Branding of 2 community water tanks	Plateau state	1,675
	Total		**16,286**

In accordance with Section 43(2) of the CAMA, the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2022: Nil)

Independent Auditors

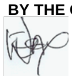
Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of CAMA, therefore, the independent auditors will be re-appointed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

Compliance with Code of Corporate Governance

The Company has substantially complied with the provisions of the SCGG, and the provisions of the NCCG and continues to implement policies and improvements that move the Company towards full compliance in the short term.

Dated this 28th day of March 2024

BY THE ORDER OF THE BOARD



Ayomipo Wey
Company Secretary
FRC/2013/NBA/00000003124

Certification pursuant to section 405(1) of Companies and Allied Matters Act, 2020

We the undersigned hereby certify the following with regards to our audited financial statements included in our annual report for the year ended 31 December 2023 that:

(a) We have reviewed the financial statement;

(b) To the best of our knowledge, the financial statement does not:
- (i) contain any untrue statement of a material fact, or
- (ii) omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;

(c) To the best of our knowledge, the financial statements and other information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the financial statement.

(d) We:
- (i) are responsible for establishing and maintaining internal controls;
- (ii) have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to us by other officers within those entities during the period in which the reports are being prepared;
- (iii) have evaluated the effectiveness of the company's internal controls within 90 days prior to the date of the financial statement; and
- (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

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

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

Statement of Directors' Responsibilities in Relation to the Financial Statements

The Directors are responsible for the preparation of the consolidated and separate financial statements which gives a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

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

The responsibilities include ensuring that:

a) Appropriate internal controls are established both to safeguard the assets of the Group and Company to prevent and detect fraud and other irregularities;

b) The Group and Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which ensure that the financial statements comply with the requirements of the Companies and Allied matters Act;

c) The Group and Company have used suitable accounting policies, consistently applied and supported by reasonable estimates, and that all applicable accounting standards have been followed; and

d) The going concern basis is used, unless it is inappropriate to presume the Group and Company will continue in business.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 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.

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2023 were approved by the Directors on 28 March 2024.

Signed on behalf of the Directors of the Company.

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

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

Report of the Audit Committee to the Members of UAC of Nigeria PLC

In compliance with Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Consolidated and Separate audited Financial Statements of the Group and Company for the year ended 31 December 2023 and report as follows:

(a) The accounting and reporting policies of the Group and the Company are in compliance with the International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act.
(b) The scope and planning of the external audit are in our opinion adequate.
(c) The internal audit and internal control systems are adequate.
(d) The External Auditor's Management Letter was satisfactorily dealt with by Management.

Mr. Olabisi Fayombo
Chairman, Audit Committee
FRC/2013/ICAN/00000002883

Dated 26th day of March, 2024

Members of the Committee

Mr Olabisi Fayombo	Chairman	Shareholder Representative
Mr Matthew Akinlade	Member	Shareholder Representative
Mr Kenneth Nwosu Nnabike	Member	Shareholder Representative
Mr Bolaji Odunsi	Member	Board Representative
Mr Khalifa Biobaku	Member	Board Representative

Secretary
Ayomipo Wey

Certification of Management's assessment of Internal Control over Financial Reporting

In compliance with the provisions of section 405 of the Companies and Allied Matters Act, 2020 and, Investment and Securities Act (ISA) 2007 on internal control over financial reporting, the directors, whose names are stated below, hereby certify that:

a) We have reviewed this audited consolidated and separate financial statements of UAC of Nigeria Plc for the year ended 31 December 2023;

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

d) We also certify that we:
   (i) are responsible for establishing and maintaining internal controls;
   (ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (iv) have evaluated the effectiveness of the Company and Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (i) All significant deficiencies and that there are no material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company and Group's ability to record, process, summarize and report financial information; and
   (ii) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the Company and Group's internal control system.

f) We identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Folasope Aiyesimoju	Funke Ijaiya-Oladipo
Group Managing Director	Group Finance Director
FRC/2019/IODN/00000019806	FRC/2021/001/00000022822

Management's report on the effectiveness of Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of UAC of Nigeria Plc for the year ended 31 December 2023.

i UAC of Nigeria Plc’s management is responsible for establishing and maintaining a system of internal control over financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

ii UAC of Nigeria Plc’s management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Company and Group's internal control over financial reporting (ICFR) and did not identify any material weakness.

iii. UAC of Nigeria Plc's management has assessed that the Company and Group's ICFR as of the end of 31 December 2023 is effective.

iv. UAC of Nigeria Plc's external auditor Messrs KPMG that audited the financial statements, has issued an attestation report on management’s assessment of the entity’s internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company’s internal control over financial reporting.

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UAC of Nigeria Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of UAC of Nigeria Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income
- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

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

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

Valuation of Investment properties	
Refer to material accounting policies (Note 2.8) and related disclosures (Note 15) of the consolidated and separate financial statements.	
The Company owns a portfolio of investment properties comprising commercial properties, shopping malls and serviced residences. These investment properties are stated at their fair values based on independent external valuations. We focused on this area due to the size of the balance and the significant judgement required in determining the appropriate	Our procedures included the following: • We evaluated the appropriateness of management specialist's valuation methodology, including judgments and assumptions applied in determining the fair

valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are a source of estimation uncertainty and highly susceptible to management bias and risk of error.	value of investment properties by comparing to acceptable industry standards. • We selected a sample of investment properties based on high fair value changes during the year and performed the following procedures: - we obtained and reviewed title and survey plan for the sample of investment properties selected, to evaluate the appropriateness of ownership and establish the dimensions of the investment properties. - We checked whether there are any encumbrances and whether this was considered in the determination of the fair value. • We checked that the classification and disclosures in the financial statements were in accordance with the requirements of IAS 40: Investment Property.
Inventories	
Refer to material accounting policies (Note 2.11) and related disclosures (Note 22) of the consolidated financial statements.	
The carrying amount of inventories is significant and amounted to ₦27.4 billion representing 24% of total assets. The Group has inventories at different locations and at different stages of the production process. The inventories are subject to different handling and quantity determination criteria. Additionally, the inventories are subject to obsolescence which requires management judgement to determine. The significance of the balance involved, the complexities inherent in determining the quantities on hand across the various locations and the judgement involved in determining obsolesence allowance make inventories a significant matter in our audit.	Our procedures included the following: • We evaluated the design, implementation and operating effectiveness of identified controls established within the inventory management process. • We observed year-end physical inventory count exercise and reviewed the related reconciliation and inventory measurement performed by management. • We evaluated the process and basis of overhead absorption and evaluated the appropriateness and reasonableness. • We evaluated management's assessment of inventory write-down by checking that the amount of write-down recognized for obsolete/slow moving inventory items is

	reasonable and consistent with our knowledge obtained from our inventory count observation. • We selected a sample of inventories using statistical sampling methods and performed the following procedures: - we recalculated the inventory costing formula applied by management for appropriateness; - we performed net realizable value tests by comparing the unit cost to the unit selling price less estimated selling expenses; and • We checked that the disclosures in the financial statements are in compliance with the requirements of IAS 2: Inventories.
. **Revenue recognition**	
Refer to material accounting policies (Note 2.17) and related disclosures (Note 5) of the consolidated financial statements.	
The Group and Company earn revenue majorly from four key activities - animal Feeds and edible oils, packaged food and beverages, paints and quick service restaurants. Significant judgement is applied in determining revenue recognition criteria. This requires a careful assessment of the appropriateness and timing of revenue recognition in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers. Furthermore, revenue is the most significant item in the statement of profit or loss and impacts the majority of the key performance indicators on which the financial performance of the Group is assessed. These factors make revenue an area of significance in our audit.	Our procedures included the following: • We evaluated the design, implementation and operating effectiveness of identified controls established within the sales process. • We selected a sample of revenue transactions using statistical sampling methods and performed the following procedures: - We tested compliance with the revenue standard (IFRS 15) including assessment of the appropriateness of the allocation of revenue to multiple performance obligations (where applicable). - we matched sales invoices to related orders and dispatch notes at the transaction level. • We performed revenue cut-off procedures by assessing whether revenue transactions

	occurring both prior to and after the year end date were recognized in the appropriate period; and • We checked the disclosures in the financial statements for compliance with the requirements of IFRS 15: *Revenue from Contracts with Customers*.

Other Information

The Directors are responsible for the other information. The other information comprises; Corporate Information, Investor Relations Statement, Financial Highlights, Directors' Report, Certification pursuant to section 405(1) of the Companies and Allied Matters Act, 2020, Statement of Directors Responsibilities in Relation to the Financial Statements, Certification of Management's Assessment of Internal Control over Financial Reporting, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Report of the Audit Committee and Other National Disclosures which we obtained prior to the date of this report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes the Chairman's statement, shareholders' information amongst others together the "outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company and Group's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 28 March 2024. The report is included on pages 22-23 of the annual report.

Mohammed M. Adama, FCA
FRC/2012/ICAN/00000000432
For: KPMG Professional Services
Chartered Accountants
28 March 2024
Lagos, Nigeria

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Independent Auditor's Limited Assurance Report
To the Shareholders of UAC of Nigeria Plc
Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of UAC of Nigeria Plc (''the Company'') and its subsidiaries (together "the Group") as of 31 December 2023 is effective in accordance with the criteria established by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 December 2023 is not effective, in all material respects, in accordance with the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants *(including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

We have audited the consolidated and separate financial statements of UAC of Nigeria Plc in accordance with the International Standards on Auditing, and our report dated 28 March 2024 expressed an unmodified opinion of those consolidated and separate financial statements. Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of UAC of Nigeria Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on *the Group's* internal control over financial reporting based on our assurance engagement.

<u>Summary of the work we performed as the basis for our conclusion</u>

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mohammed M. Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
28 March 2024
Lagos, Nigeria

UAC of Nigeria PLC
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2023

		The Group		The Company	
	Notes	**31 Dec 23 N'000**	**31 Dec 22 N'000**	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**
Continuing operations					
Revenue	5	120,528,463	109,270,399	1,142,234	1,008,941
Cost of sales	8	(99,209,852)	(95,033,006)	-	-
Gross profit		**21,318,611**	**14,237,393**	**1,142,234**	**1,008,941**
Dividend income	6	52,185	9,250	782,767	838,386
Other operating income	7i	8,817,755	742,837	8,250,341	878,156
Impairment loss on financial assets	7ii	(861,473)	(60,956)	(814,928)	(31,132)
Selling and distribution expenses	8	(8,794,927)	(8,506,977)	-	-
Administrative expenses	8	(11,439,518)	(8,805,473)	(2,823,181)	(2,252,664)
Operating profit/(loss)		**9,092,633**	**(2,383,926)**	**6,537,233**	**441,687**
Finance income	9	5,945,839	1,447,869	3,893,950	943,648
Finance costs	9	(3,558,021)	(3,532,703)	(516,821)	(654,627)
Net finance income/(cost)		2,387,818	(2,084,834)	3,377,129	289,021
Share of profit from associates using the equity method	18	859,603	103,444	-	-
Profit/(loss) before minimum tax		**12,340,054**	**(4,365,316)**	**9,914,362**	**730,708**
Minimum tax	10	(356,275)	(456,730)	-	-
Profit/(loss) after minimum tax		**11,983,779**	**(4,822,046)**	**9,914,362**	**730,708**
Income tax (expense)/credit	10	(3,075,665)	822,543	(1,374,991)	(48,880)
Profit/(loss) after tax for the year from continuing operations		8,908,114	(3,999,503)	8,539,371	681,828
Discontinued operations					
Profit after tax for the year from discontinued operations	37(b)	-	6,508	-	-
Profit/(loss) for the year		**8,908,114**	**(3,992,995)**	**8,539,371**	**681,828**
Other comprehensive income/(loss):					
Items not to be subsequently recycled to profit or loss					
Net changes in fair value of financial assets net of tax	17i	(259,866)	(65,137)	(259,866)	(65,137)
Share of other comprehensive income/(loss) of associates using the equity method		194,370	(82,893)	-	-
Other comprehensive income/(loss) for the year net of tax		(65,496)	(148,030)	(259,866)	(65,137)
Total comprehensive income/(loss) for the year net of tax		**8,842,618**	**(4,141,025)**	**8,279,505**	**616,691**
Profit/(loss) attributable to:					
Equity holders of the parent		9,187,469	(3,078,922)	8,539,371	681,828
Non controlling interests		(279,355)	(914,073)	-	-
		8,908,114	**(3,992,995)**	**8,539,371**	**681,828**
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		9,121,973	(3,226,952)	8,279,505	616,691
Non controlling interests		(279,355)	(914,073)	-	-
		8,842,618	**(4,141,025)**	**8,279,505**	**616,691**
Earnings per share attributable to owners of the parent during the year (expressed in Kobo per share):					
Basic earnings/(loss) per share					
From continuing operations	12	314	(107)	295	24
From discontinued operations	12	-	-	-	-
From profit/(Loss) for the year (Kobo)		314	(107)	295	24
Diluted earnings/(loss) per share					
From continuing operations	12	314	(107)	295	24
From discontinued operations	12	-	-	-	-
From profit/(Loss) for the year (Kobo)		314	(107)	295	24

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

UAC of Nigeria PLC

Consolidated and Separate Statements of Financial Position
as at 31 December 2023

		The Group		The Company	
	Notes	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**
Assets					
Non-current assets					
Property, plant and equipment	13	26,210,902	25,043,411	802,906	863,537
Intangible assets and goodwill	14	3,198,009	3,626,747	49,281	55,008
Investment property	15	1,190,629	2,435,360	1,190,629	2,435,360
Investments in subsidiaries	16	-	-	19,127,885	19,037,359
Equity instruments at fair value through other comprehensive income	17	266,311	514,965	266,311	514,965
Investments in associates	18	9,565,970	8,511,997	5,314,507	5,314,507
Debt instruments at amortised cost	19	4,019,173	2,232,103	4,019,173	2,232,103
Right of use assets	21	1,739,955	1,471,771	-	-
Trade and other receivables	23	2,146,881	2,146,881	5,283,259	3,260,498
Finance lease receivables	23.1	10,372	10,372	-	-
Total non-current assets		48,348,202	45,993,607	36,053,951	33,713,337
Current assets					
Inventories	22	26,917,295	24,396,400	-	-
Trade and other receivables	23	10,791,678	6,693,502	2,491,281	1,949,867
Finance lease receivables	23.1	443,640	600	-	-
Refund assets	20	44,322	4,683	-	-
Cash and cash equivalents	24	25,269,620	16,196,969	15,840,658	4,957,606
Total current assets		63,466,555	47,292,154	18,331,939	6,907,473
Non-current assets held for sale	37(a)	530,714	541,850	-	-
Total assets		**112,345,471**	**93,827,611**	**54,385,890**	**40,620,810**
Equity and Liabilities					
Ordinary share capital	33	1,463,065	1,463,065	1,463,065	1,463,065
Share premium		14,647,616	14,647,616	15,085,191	15,085,191
Fair value reserve		2,319	67,815	(120,592)	139,274
Equity settled share based payment reserve		586,809	342,870	586,809	342,870
Other reserve		91,923	91,923	-	-
Retained earnings		33,955,558	25,350,422	22,151,897	14,256,274
Equity attributable to equity holders of the Company		50,747,290	41,963,711	39,166,370	31,286,674
Non controlling interests		2,434,302	3,316,500	-	-
Total equity		**53,181,592**	**45,280,211**	**39,166,370**	**31,286,674**
Liabilities					
Non-current liabilities					
Borrowings	25	2,460,021	2,467,290	-	-
Lease liability	21	1,144,087	569,940	-	-
Deferred tax liabilities	26	2,907,273	2,708,129	624,641	315,251
Government grants	28	62,053	132,052	-	-
Employee benefits	32	59,611	68,122	-	-
Provisions	31	40,034	34,080	-	-
Total non-current liabilities		6,673,079	5,979,613	624,641	315,251
Current liabilities					
Trade and other payables	27	13,726,664	13,352,005	2,570,203	1,628,706
Contract liabilities	29	2,206,101	2,311,875	200,125	50,635
Current income tax liabilities	10	5,275,193	3,997,168	3,434,322	2,522,118
Borrowings	25	24,988,599	16,537,153	3,322,948	-
Dividend payable	30	5,768,706	5,451,070	5,063,733	4,813,878
Government grants	28	73,748	92,167	-	-
Lease liability	21	373,409	789,007	-	-
Provisions	31	6,548	32,418	3,548	3,548
Refund liabilities	20	71,832	4,924	-	-
Total current liabilities		52,490,800	42,567,787	14,594,879	9,018,885
Total liabilities		**59,163,879**	**48,547,400**	**15,219,520**	**9,334,136**
Total equity and liabilities		**112,345,471**	**93,827,611**	**54,385,890**	**40,620,810**

The consolidated and separate financial statements were approved and authorised for issue by the board of directors on 28 March 2024 and were signed on its behalf by:

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

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

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

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

UAC of Nigeria PLC
Audited Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

		The Group									
		Attributable to owners of the Company									
	Notes	**Share Capital**	**Share Premium**	**Contingency Reserve**	**Fair value Reserve**	**Other Reserve**	**Equity Settled Share-based Payment Reserve**	**Retained Earnings**	**Total**	**Non controlling Interest**	**Total**
		N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Total equity at 1 January 2023		**1,463,065**	**14,647,616**	**-**	**67,815**	**91,923**	**342,870**	**25,350,422**	**41,963,711**	**3,316,500**	**45,280,211**
Profit for the year								9,187,469	9,187,469	(279,355)	8,908,114
Other comprehensive loss	17i				(65,496)				(65,496)	-	(65,496)
Net changes in equity settled share-based payment	8f						243,939		243,939	-	243,939
Transactions with Equity holders									-		-
Net Impact of UAC Foods Ltd merger with SWAN	16	-	-	-	-	-	-	33,866	33,866	(33,866)	-
Purchase of NCI shares on account of UFL merger	16	-	-	-	-	-	-	798	798	(37,630)	(36,832)
Changes in ownership due to UFL merger with SWAN	16	-	-	-	-	-	-	(51,846)	(51,846)	51,846	-
Changes in ownership due to share transfer	16	-	-	-	-	-	-	(39,609)	(39,609)	(50,917)	(90,526)
Share issue cost in respect of UFL merger		-	-	-	-	-	-	(20)	(20)	-	(20)
Write back of statute barred dividend								118,227	118,227	-	118,227
Dividend declared	30	-	-	-	-	-	-	(643,749)	(643,749)	(532,276)	(1,176,025)
Total equity as at 31 December 2023		**1,463,065**	**14,647,616**	**-**	**2,319**	**91,923**	**586,809**	**33,955,558**	**50,747,290**	**2,434,302**	**53,181,592**
Total equity at 1 January 2022		**1,440,648**	**14,174,606**	**69,571**	**215,845**	**91,923**	**98,931**	**29,889,951**	**45,981,475**	**4,856,831**	**50,838,306**
Loss for the year		-	-	-	-	-		(3,078,922)	(3,078,922)	(914,073)	(3,992,995)
Other comprehensive (loss)/income		-	-	-	(148,030)	-	-	-	(148,030)		(148,030)
Net changes in equity settled share-based payment		-	-	-		-	243,939	-	243,939	-	243,939
Transaction with Equity holders											
Scrip issue subscription by owners of parent		22,417	473,010	-	-	-	-	-	495,427	-	495,427
Scrip issue subscription by non controlling interest		-	-	-	-	-	-	-	-	16,431	16,431
Payment to non controlling interest by UNICO		-	-	-	-	-	-	-	-	(16,962)	(16,962)
Dividend declared	30		-	-	-	-	-	(1,872,843)	(1,872,843)	(536,687)	(2,409,530)
Scrip dividend issue cost		-	-	-	-	-	-	(1,586)	(1,586)	-	(1,586)
Changes in NCI due to scrip issue by CAP		-	-	-	-	-	-	63,490	63,490	(63,490)	-
Write back of statute barred dividend		-	-	-	-	-	-	280,759	280,759	-	280,759
Deconsolidation of UNICO		-	-	(69,571)	-	-	-	69,571	-	(25,550)	(25,550)
Balance at 31 December 2022		**1,463,065**	**14,647,616**	**-**	**67,815**	**91,923**	**342,870**	**25,350,422**	**41,963,711**	**3,316,500**	**45,280,211**

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

UAC of Nigeria PLC
Audited Separate Statement of Changes in Equity
for the year ended 31 December 2023

		The Company					
		Attributable to owners of the Company					
		Share Capital N'000	**Share Premium N'000**	**Fair value reserve N'000**	**Equity Settled Share-based Payment reserve N'000**	**Retained Earnings N'000**	**Total N'000**
Balance at 1 January 2023		1,463,065	15,085,191	139,274	342,870	14,256,275	31,286,675
Profit for the year						8,539,371	8,539,371
Other comprehensive loss	17i			(259,866)		-	(259,866)
Net changes in equity settled share-based payment	8f				243,939	-	243,939
Transactions with Equity holders							-
Dividends declared	30					(643,749)	(643,749)
Balance at 31 December 2023		**1,463,065**	**15,085,191**	**(120,592)**	**586,809**	**22,151,897**	**39,166,370**
Balance at 1 January 2022		1,440,648	14,612,181	204,412	98,931	15,448,875	31,805,047
Profit for the year		-	-	-		681,828	681,828
Other comprehensive (loss)/income				(65,137)		-	(65,137)
Net changes in equity settled share-based payment				-	243,939		243,939
Transactions with Equity holders							
Scrip dividend issued	30	22,417	473,010	-		(495,427)	-
Dividend declared		-	-	-		(1,377,415)	(1,377,415)
Scrip dividend issue cost						(1,586)	(1,586)
Balance at 31 December 2022		**1,463,065**	**15,085,191**	**139,274**	**342,870**	**14,256,275**	**31,286,675**

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

UAC of Nigeria PLC

Consolidated and Separate Statements of Cash Flows

for the year ended 31 December 2023

		The Group			The Company
	Notes	**31 Dec 23 N' 000**	**31 Dec 22 N'000**	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**
Cash flows from operating activities					
Cash generated from/(used in) operations	34	988,188	17,747,219	(2,563,377)	558,116
Corporate tax paid	10	(1,893,471)	(1,116,235)	(138,128)	(47,016)
Net cash flows (used in)/generated from operating activities		**(905,283)**	**16,630,984**	**(2,701,505)**	**511,100**
Cash flows from investing activities					
Purchase of intangible assets	14	(69,145)	(1,845,519)	(2,026)	-
Purchase of property, plant and equipment	13	(4,583,497)	(5,981,189)	(218,953)	(159,885)
Proceeds from sale of property, plant and equipment		7,998,669	86,801	7,717,797	15,478
Proceeds from sale of Intangible asset		3,189	-	32	-
Proceeds from disposal of investment properties		1,404,412	687,000	1,404,412	687,000
Proceeds on disposal of non-current asset held for sale		14,009	-	-	-
Purchase of equity instrument at fair value through other comprehensive income	17	(110,240)	(137,862)	(110,240)	(137,862)
Refund from investment measured at fair value through other comprehensive income	17	-	497	-	497
Inflow from liquidation of subsidiary		-	-	-	110,188
Net cash lost on deconsolidation of subsidiary	37(b)	-	(67,817)	-	-
Proceeds from disposal of equity investment		45,600	-	45,600	-
Lease prepayment		(200,000)	(246,510)	-	-
Investment in debt securities	19	-	(297,359)	-	(297,359)
Proceeds from maturity of debt instruments		183,936	585,028	183,936	585,028
Dividend received	6(a)	46,967	8,325	704,490	253,139
Interest received		1,778,356	1,125,465	1,472,270	936,572
Acquisition of additional interest in subsidiaries		-	-	(90,526)	-
Net cash flows generated from/(used in) investing activities		**6,512,256**	**(6,083,140)**	**11,106,792**	**1,992,796**
Cash flows from financing activities					
Dividends paid to non-controlling interests	30	(532,276)	(520,159)	-	-
Dividends paid to Company shareholders	30	(643,749)	(1,377,415)	(643,749)	(1,377,415)
Proceeds from borrowings and Overdraft	25	36,833,691	102,588,434	6,370,676	19,144,705
Unclaimed dividend returned by/(refunded to) the registrar	30	346,299	282,377	249,856	121,620
Scrip dividend issue cost		-	(1,586)	-	(1,586)
Repayment of borrowings	25	(29,702,508)	(104,083,120)	(3,350,811)	(19,144,705)
Interest paid on loans	25	(2,271,746)	(2,185,137)	(146,621)	(592,934)
Repayment of lease liability	21	(459,271)	(447,399)	-	-
Payment to non-controlling interest by UNICO		-	(16,962)	-	-
UFL Merger share issue cost		(20)	-	-	
Purchase of NCI shares	16b	(103,155)	-	-	
Net cash flows generated/(used in) from financing activities		**3,467,265**	**(5,760,967)**	**2,479,351**	**(1,850,315)**
Cash & cash equivalents at the beginning of the year		16,197,688	11,410,811	4,958,325	4,304,744
Net increase in cash & cash equivalents		9,074,238	4,786,877	10,884,639	653,581
Cash & cash equivalents at the end of the year	**24i**	**25,271,926**	**16,197,688**	**15,842,964**	**4,958,325**

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

1 Corporate Information

UAC of Nigeria PLC is a limited company incorporated and domiciled in Nigeria, whose shares are publicly traded on the Nigerian Exchange. The registered office is located at 1-5 Odunlami Street, Marina, Lagos.

The Group is a diversified business with activities in the following principal sectors: Animal Feeds and Other Edibles, Paints, Packaged Food and Beverages, and Quick Service Restaurants. The Company also has interests in Logistics, and Real Estate sectors (See Note 5).
The consolidated and separate financial statements of UAC of Nigeria PLC (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 28th March 2024.

2 Material accounting policies

2.1 Statement of Compliance

These consolidated and separate financial statements of UAC of Nigeria PLC have been prepared in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

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

The consolidated and separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.
The consolidated and separate financial statements provide comparative information in respect of the previous period.
The financial statements have been prepared on a going concern basis.
The policies set out below have been consistently applied to all the years presented.

2.2 Changes in accounting policies and disclosures

a New and amended standards and interpretations adopted by the Group
In the current year, the Group has adopted a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on 1 January 2023. The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(i) IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

1. A specific adaptation for contracts with direct participation features (the variable fee approach).

2. A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group's consolidated and Separate financial statements.

(ii) Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 and IFRS Practice Statement 2 for the first time in the current year. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the IASB has also developed guidance and examples to explain and demonstrate the application of the 'Four-Step Materiality Process'.There was no material impact on the Financial Statements from the adoption of this amendment.

(iii) Amendments to IAS 8 Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 Definition of Accounting Estimates for the first time in the current year. The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in the financial statements to be measured in a way that involves measurement
uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. There was no impact on the Financial Statements from the adoption of this amendment..

(iv) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, the Group will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. There was no material impact on the Financial Statements from the adoption of this amendment.

b New standard, amendments and interpretations not yet effective

A number of new standards are effective for annual periods beginning on or after 1 January 2024 and earlier application is permitted; however, the Group and Company has not early adopted the new or amended standards in preparing this consolidated and separate financial statements. Their adoption are not expected to have any material impact on the disclosures or on the amounts reported in these financial statements.

(i) Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

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

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

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

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

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

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

In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability so that:
a. It specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying a liability as current or non-current; and
b. for non-current liabilities subject to conditions, an entity is required to disclose information about:
i. the conditions (for example, the nature of and date by which the entity must comply with the condition);
ii. whether the entity would comply with the conditions based on its circumstances at the reporting date; and
iii. whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested.

ISAB tentatively decided to amend IAS 1 to require that an entity present separately in its statement of financial position 'non-current liabilities subject to conditions in the next 12 months'. This line item would include liabilities classified as non-current for which the right to defer settlement for at least 12 months is subject to the entity complying with conditions after the reporting date.
The amendments are efective for reporting periods beginning on or after January 1, 2024.

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

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

Lease payments as defined in IFRS 16 comprise the following:

i. fixed payments (including in-substance fixed payments), less any lease incentive;

ii. variable lease payments that depend on an index or a rate;

iii. the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

iv. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

If the same definition is applied to a leaseback, the seller-lessee, in a leaseback transaction involving variable payments that do not depend on an index or rate, would measure the lease liability without considering these variable payments. That may result in recognition of a gain on the right-of-use retained by the seller-lessee. To prevent this accounting outcome, the Amendments create an exception to the definition of 'lease payments' applicable for sale and leaseback transactions, by requiring the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller- lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The Amendments do not prescribe specific measurement requirements for lease liabilities arising from a sale and leaseback. The seller-lessee may apply other methodologies to determined lease payments subject to the requirements of the Amendments i.e., the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

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

(v) Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangement

The amendments require an entity to disclose qualitative and quantitative information about its supplier finance arrangements, such as terms and conditions – including, for example, extended payment terms and security or guarantees provided.

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

Amongst other characteristics, IAS 7 explains that a supplier finance arrangement provides the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

(vi) Amendments to IAS 21 Lack of Exchangeability

This amendment was issued by IASB in August 2023.

An entity is impacted by this amendment when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The lack of exchangeability may occur, for example, because of government imposed controls on capital imports and exports, or the volume of foreign currency transactions that can be undertaken at an official exchange rate is limited. The amendments clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

The amendments are effective for reporting periods beginning on or after January 1, 2025

2.3 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Company has direct or indirect control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Financial information of the subsidiaries are prepared as of the same reporting date and consolidated using consistent accounting policies.

In the separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

All intra-group transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intra-group transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, and then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Investment in Associates and Joint Ventures

Associates are all entities over which the Group and Company have significant influence but not control, generally the Group/Company has shareholding of between 20% and 50% of the voting rights in associate companies. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Share of profit/(losses) arising from equity accounting of investment in associates are recognised in the income statement.

In the separate financial statements of the Company, investments in associates are measured at cost.

2.4 Segment reporting

An operating segment is a distinguishable component of the Group and Company that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Company.

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

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

2.5 Foreign currency translation

a Functional and presentation currency

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

b Transactions and balances

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

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

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

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

2.6 Property, plant and equipment

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

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

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

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

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

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

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

Leasehold land and buildings	Lease terms vary from 5 to 99 years
Plant and machinery	2 to 43 years
Office furniture and equipment	3 to 5 years
Motor vehicles	4 to 6 years
Computer equipment	3 to 5 years
Capital work-in-progress	Nil

The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The carrying amount of an item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income, when the asset is derecognised.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Impairment Note 2.10 for further detail).

2.6.1 Assets held for sale

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

2.7 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition.

Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to accounting policy on Computer Software below), all internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

(i) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software acquisition and development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives, which does not exceed 5 years.

2.8 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The Group makes use of external valuation experts. Each property is valued by an external valuer annually.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments are not recognised in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16.

2.9 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and it is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets includes financial assets at amortised cost (debt instruments) and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's and Group's financial assets at amortised cost includes trade and other receivables (excluding advance payments, WHT receivables and prepayments), finance lease receivables, debt instrument at amortised cost and cash and cash equivalents.

Trade and other receivables (excluding advance payments, WHT receivables and prepayments), are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. For short term trade and other receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

Cash and cash equivalents

The Group and Company considers all highly liquid unrestricted investments with less than 90 days maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's and Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and included in borrowings within current liabilities in the statement of financial position.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis

Gains and losses on these financial assets are never recycled to profit or loss.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and Company elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

- Disclosures for significant assumptions Note 4.1

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and Company's core operations.

Irrespective of the outcome of the above assessment, the Group and Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due , unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group and Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group and Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group and Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group and Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group and Company.

For trade receivables, finance lease receivables and contract assets, the Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group and Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalent and other financial assets that applies a general approach in calculating the ECLs, the Group and Company considers

a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.
A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortised cost

The Company's and Group's financial liabilities at amortised cost includes interest-bearing loans and borrowings, trade and other payables

(excluding statutory deductions such as non-income taxes in respect of WHT, VAT and PAYE), lease liability and dividend payables.

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

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

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

Borrowings

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

Borrowing costs

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

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

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

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

Trade and other payables

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

Derecognition of financial liabilities

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

Offsetting

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

2.10 Impairment of non-financial assets

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

Disclosures for significant assumptions (Note 4)

Property, plant and equipment (Note 13)

Intangible assets (Note 14)

Goodwill (Note 14)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

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

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

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

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

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

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

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

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

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

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

2.11 Inventories

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

Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

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

Inventory cost is calculated based on:

Raw materials

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work-in-progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Goods-in-transit

Cost is determined as purchase cost incurred to date.

Technical spares and consumables

Cost is determined using the weighted average method and includes transportation and clearing costs.

2.12 Prepayments

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

2.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent assets

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

2.14 Capital and other reserves

Ordinary share capital

The Company has two classes of shares, ordinary and preference shares. These shares are classified as equity.

When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

When the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issued are deducted from share premium account, net of any related income tax benefits.

Fair value reserve

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

Other reserves

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

Retained earnings

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

2.15 Taxes

Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax.
The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.
The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:
- Company income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting ALL expenses and taxes from revenue earned by the Group during the Year).

Total amount of tax payable under Companies Income Tax Act (CITA) is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year). Taxes based on profit for the period are treated as income tax in line with IAS 12.
The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.
The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum tax expense

The Group is subject to the Finance Act, 2023 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2023 is determined based on the higher of two components: Company Income Tax (based on taxable profit (or loss) for the year); and Minimum tax (determined based on of 0.5% of qualifying Group's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the Statement of financial position.

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

Statutory deductions

Value added tax (VAT)

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

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

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

2.16 Employee benefits

(a) Defined Contribution schemes

The Group has two defined contribution plans for its employees;
i) A statutory pension scheme and
ii) A gratuity scheme

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

(i)Statutory pension Scheme

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

The Employer contributions (10%) are recognised as employee benefit expenses when they are due, while the employees' contributions are funded through payroll deductions. The Group has no further payment obligation once contributions have been paid.

(ii) Gratuity Scheme

The Company's gratuity scheme was discontinued in 2018. On the date, accruing assets and obligations of the scheme were transferred as UNICO Gratuity Fund to a third party for management and administration. This scheme is registered with and regulated by the Pension Commission.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss.

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

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

(c) Long service awards scheme

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

(d) Termination benefits

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

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than12 months after the reporting period, then they are discounted to their present value.

(e) Share based payment scheme

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

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

(b) equity instruments (including shares or share options) of the entity or another group entity (equity-settled share-based payment)

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

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

The fair value is recognized as an expense, together with a corresponding increase in equity, over the period in which the services are received and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has elapsed and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.
No subsequent adjustment is made to total equity after the vesting date.

2.17 Revenue recognition

Revenue from contracts with customers

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

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

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

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

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

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

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

Sale of paints

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

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

The Group normally transfers the products to customers' premises as part of the sales incentive which is a logistics discount. The logistic discount which is the transport cost paid on behalf of the customer is recognised as a reduction to revenue for the related goods.

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

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

Sale of food and beverages

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

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

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

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

Sale from restaurant

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

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

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

Sale of animal feeds and concentrates

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

The normal credit term is 90 days upon delivery.

Commercial service fees

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

Commercial service fees (Contd.)

These services have been assessed as a single performance obligation because these services are individually distinct but within the context of the contract, are not distinct and thus have been bundled into one performance obligation.
The Group recognises revenue from commercial services rendered to related party over time because the customer simultaneously receives and consumes the benefits provided by the Group.

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

Rendering of services based on Franchise agreement

The sale-based franchise fees (royalties) are recognized at the later of when the sale occurs (provided there is no expectation of a subsequent reversal of the revenue); or the performance obligation to which some or all of the sales-based royalty has been allocated is satisfied (in whole or in part).
An agreed royalty rate is charged on the Net Proceeds on Sale (NPS) declared by each franchisee and recognized in the books as royalty income.

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

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

Significant financing component

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

Variable consideration

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

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. Some contracts for the sale of animal feeds, sales of food and beverages, paints provide customers with a right of return and volume rebates.
In addition, the Group offers its customers a right of return depending on if products are expired or defective in production. When a contract provides a customer with a right to return the goods within a specified period, the consideration received from the customer is variable because the contract allows the customer to return the products.
The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled.
The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.
For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Assets and liabilities arising from rights of return

- **Refund assets**

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

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

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

- **Refund liabilities**

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

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

Customer usage

The Group has contracts where support staff are located in the colour centres/shops that belong to its numerous customers. The fee charged is based on a constant rate on sales made by the customer.
The total transaction price of service cost rendered by Group would be variable since the contracts have range of possible transaction prices arising from different volume purchased even though the rate per unit/band is fixed.
The Group estimates the variable consideration using the expected value (i.e, a probability weighted amount) because this method best predicts the amount of consideration.

Application of paint

Such services are recognised as a performance obligation satisfied over time. Revenue is recognised by measuring progress using the input method that is labour hours.
Using the practical expedient in IFRS 15 for the application of paint, the Group has elected to recognise revenue based on the amount invoiced to the customer since the Group has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

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

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

Consideration payable to the customer

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

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

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

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

Non-refundable upfront fees
In certain circumstances, the Group may receive payments from customers before they provide the contracted service or deliver a good. The up-front fees relates to an activity that the Group is required to undertake in order to fulfil the contract which results in the transfer of a promised good or service to the customer. The non-refundable up-front fees are paid at or near contract inception – e.g. set-up fees for project integration, required scheme testing, training or other payments made at contract inception.

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

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

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

Contract balances

Contract assets

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

Contract liabilities

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

Trade receivables

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

Company

(i) Commercial service fees

Revenue for the company represents management fees charged to group entities for services provided such as legal/company secretarial and human resources support . Revenue is recognised as the services are completed.

(ii) Rental income
This represents revenue earned from the consideration received/receivables from rental properties.

(iii) Dividend income

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

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

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

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

2.19 Lease

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

Group as a lessee

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

i) Right-of-use assets

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) Lease liabilities

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

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

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating Income' and amounts due from lessees are recognized as receivables at the amount of the Company net investment in the leases. Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

2.20 Cash dividend and non-cash distribution to equity holders of the parent.

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. The liability is extinguished when the cash dividend is transferred to the registrar for onward remittance to the shareholders. Interim dividends are recognised once paid.

Dividend payable represents unclaimed dividend less deposits with the company registrars that relate to dividends not older than 15 months which are required to be held by the company registrars in line with SEC guidelines.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income.

2.21 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with the conditions attaching to it.

Government grants are recognized within "other operating income/(loss)" in the statement of profit or loss and other comprehensive income on a systematic basis over the periods in which the Group and Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Grants related to non-monetary assets are stated at fair value. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.22 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities at each reporting date. Equity instruments measured at fair value through other comprehensive income are also measured at fair values at the Group level.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 Financial risk management

The Group’s principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include trade receivables, debt instruments and cash and bank balances that are derived directly from its operations.

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group’s financial performance.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and loans and borrowings.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar as a result of importing key raw materials.

Foreign exchange risk arises from future commercial transactions. There are limited exposures to recognised assets and liabilities and net investments in foreign operations.

The Group does not make use of derivatives to hedge its exposures. Although the Group has various measures to mitigate exposure to foreign exchange rate movement, over the long term however, permanent changes in exchange rates will have an impact on profit. The Group monitors movement in the currency on an on-going basis.

The group manages this risk through adequate planning and timing of its foreign exchange transactions and funding of its domiciliary accounts.

The Group's concentration of foreign exchange exposure is as follows:

GROUP		**31 December 2023**			
	N'000	**USD'000**	**GBP'000**	**EUR'000**	**Others**
Financial assets					
Debt securities (Net)	-	4,431	-	-	-
Trade receivables (Net)	877,677	443	-	-	-
Other receivables (Net)	2,171,313	-	-	-	-
Cash and short-term deposits (Net)	13,480,956	12,983	10	0.38	-
	16,529,946	**17,857**	**10**	**0.38**	**-**
Financial liabilities					
Long term borrowings	2,460,021	-	-	-	-
Short term borrowings	24,988,599	-	-	-	-
Trade payables	5,025,537	531	-	-	555
	32,474,157	**531**	**-**	**-**	**555**

GROUP		**31 December 2022**			
	N'000	**USD'000**	**GBP'000**	**EUR'000**	**Others**
Financial assets					
Debt securities (Net)	-	4,837	-	-	-
Trade receivables (Net)	1,485,726	165	-	-	-
Other receivables(Net)	2,250,718	-	-	-	-
Cash and short-term deposits	11,690,602	9,609	128	1	-
	15,427,046	**14,611**	**128**	**1**	**-**
Financial liabilities					
Long term borrowings	2,467,290	-	-	-	-
Short term borrowings	16,537,153	-	-	-	-
Trade payables	6,454,892	14	-	-	1
	25,459,335	**14**	**-**	**-**	**1**

The effective closing rate were as follows:	**31-Dec-23**	**31-Dec-22**
USD/NGN	907.11	461.50
GBP/NGN	1,156.14	556.02
EUR/NGN	1,005.44	493.07
ZAR/NGN	49.00	26.48

Financial risk factors continued

	GROUP 31-Dec-23 N'000	31-Dec-22 N'000
The total impact on profit if Naira was to depreciate by 50%/(2022: 10%) across currencies would be as follows:	7,850,348	680,816
The total impact on profit if Naira was to appreciate by 50%/(2022: 10%) across currencies would be as follows:	(7,850,348)	(680,816)

Management considers a 50% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets.

COMPANY

31 December 2023	N'000	USD'000	GBP'000	EUR'000	Others
Financial assets					
Debt at amortised cost		4,431	-	-	-
Cash and short-term deposits	9,854,016	6,595	4	-	-
Intercompany receivables	6,982,030	-	-	-	-
	16,836,046	**11,026**	**4**	**-**	**-**

31 December 2022	N'000	USD'000	GBP'000	EUR'000	Others
Financial assets					
Debt at amortised cost		4,837	-	-	-
Cash and short-term deposits	4,031,056	2,003	4	-	-
Intercompany receivables	4,568,177	-	-	-	-
	8,599,233	**6,840**	**4**	**-**	**-**

The effective closing rate were as follows:	**31-Dec-23**	**31-Dec-22**
USD/NGN	907.11	461.50
GBP/NGN	1,156.14	556.02
EUR/NGN	1,005.44	493.07
ZAR/NGN	49.00	26.48

	COMPANY 31-Dec-23 N'000	31-Dec-22 N'000
The total impact on profit if Naira was to depreciate by 50%/(2022: 10%) across currencies would be as follows:	5,002,908	315,219
The total impact on profit if Naira was to appreciate by 50%/(2022: 10%) across currencies would be as follows:	(5,002,908)	(315,219)

Management considers a 50% shift in foreign currency exchange rate is appropriate to determine the sensitivity of foreign currency denominated financial assets.

(ii) Equity Price Risk

The Group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated financial position as equity instrument at fair value through other comprehensive income and investments in subsidiaries held by the Company. The impact on equity if the price of the equity instrument measured at fair value through other comprehensive income was to appreciate/depreciate by 10% will be +/-₦24.8million (2022: +/- ₦41million).

(iii) Commodity Price Risk

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

(iv) Interest rate risk

The group's interest rate risk arises from short term borrowings (2022: short term borrowings). Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The individual boards of each business unit within the group set their own borrowing limits under Group guidance. No formal Group limit policy exists at this stage.

Group treasury monitors interest rate and borrowing exposures and weighted averages for the entire Group on a monthly basis. This is analysed and reviewed by the Board on a quarterly basis.

	GROUP 31-Dec-23 N'000	31-Dec-22 N'000
The total impact on profit or loss and equity if interest rates were to decrease by 500 basis points would be as follows:	1,249,430	802,067
The total impact on profit or loss and equity if interest rates were to increase by 500 basis points would be as follows:	(1,249,430)	(802,067)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by credit insurance obtained from reputable banks and other financial institutions.

Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix model to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes below. The Group does not hold collateral as security. The credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Trade receivables					
			Days past due			
	Current	**<90 days**	**90–180 days**	**180–360 days**	**>360 days**	**Total**
31-Dec-23	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Expected credit loss rate	5.90%	22.26%	31.75%	89.76%	99.98%	
Total gross Carrying amount at default	1,196,154	41,528	161,405	112,276	449,675	1,961,038
Expected credit loss	70,590	9,243	51,241	100,784	449,596	681,455
31-Dec-22						
Expected credit loss rate	8.58%	28.74%	47.86%	63.29%	100.00%	
Total gross Carrying amount at default	1,530,101	123,041	65,642	112,124	435,869	2,266,777
Expected credit loss	131,294	35,363	31,418	70,960	435,869	704,904

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

In thousands of Naira	**2023**	**2022**
Balance as at 1 January	**704,904**	**761,146**
Allowance for receivables impairment	82,447	116,263
Amount written off	(105,896)	(172,505)
Balance at 31 December	681,455	704,904

Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for cash and cash equivalent and other receivables. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

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

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in the Summary of significant accounting policies and in Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Nigeria Bureau of Statistics, Trading economics.com, Standards and Poor's and IMF.) and units verify the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2023 and 31 December 2022.

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

			31-Dec-23		
Key drivers		**ECL**			**Group/Company**
	Assigned Probabilities	**Scenario**	**2024**	**2025**	**2026**
Oil Price					
	11.3%	Upturn	80	80	80
	80.3%	Base	79	79	79
	8.5%	Downturn	79	79	79
GDP rate %					
	11.3%	Upturn	3.12	3.12	3.14
	80.3%	Base	3.06	3.06	3.08
	8.5%	Downturn	2.71	2.71	2.73
Inflation rate %					
	11.3%	Upturn	19.0	15.0	15.0
	80.3%	Base	21.0	17.0	17.0
	8.5%	Downturn	28.4	24.4	24.4
Interest rate %					
	11.3%	Upturn	17.6	16.6	16.6
	80.3%	Base	18.0	17.0	17.0
	8.5%	Downturn	19.1	18.1	18.1

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

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

31-Dec-23	**Group**				**Company**				
	Short-term deposits	**Debt instrument at amortised cost (Note 19)**	**Impairment on associates**	**Total**	**Short-term deposits**	**Intercompany & related party receivables**	**Debt instrument at amortised cost (Note 19)**	**Impairment on associates**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (11%)	254	630	364	1,248	254	390	630	364	1,638
Base (80%)	1,845	4,582	2,646	9,073	1,845	2,838	4,582	2,646	11,911
Downturn (9%)	208	515	298	1,021	208	319	515	298	1,340
Total	2,307	5,727	3,308	11,343	2,307	3,547	5,727	3,308	14,890

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP

At 31 December 2023	**Carrying Amount**	**Contractual cashflow**	**On demand**	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	27,448,620	27,580,672	-	3,322,948	21,665,651	2,592,073	-
Lease liabilities	1,517,496	1,958,257	-	-	475,646	1,101,090	381,521
Trade and other payables*	12,375,033	12,375,036	1,459,148	3,189,960	7,725,928	-	-
Dividend payable	5,768,706	5,768,706	5,768,706	-	-	-	-
	47,109,855	**47,682,671**	**7,227,854**	**6,512,908**	**29,867,225**	**3,693,163**	**381,521**

GROUP

At 31 December 2022	**Carrying Amount**	**Contractual cashflow**	**On demand**	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	19,004,443	19,004,445	735,110	5,470,997	10,331,045	2,467,293	-
Lease liabilities	1,358,947	1,404,530	-	22,534	822,746	513,525	45,725
Trade and other payables*	12,476,022	12,476,022	2,079,366	5,409,007	4,987,649	-	-
Dividend payable	5,451,070	5,451,070	5,451,070	-	-	-	-
	38,290,482	**38,336,067**	**8,265,546**	**10,902,538**	**16,141,440**	**2,980,818**	**45,725**

COMPANY

	Carrying Amount	**Contractual cashflow**	**On demand**	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
At 31 December 2023							
Borrowings	3,322,948	3,322,948	-	3,322,948	-	-	-
Dividend payable	5,063,733	5,063,733	-	5,063,733	-	-	-
Other payables*	2,100,982	-	-	2,100,982	-	-	-
	10,487,663	**8,386,681**	**-**	**10,487,663**	**-**	**-**	**-**
At 31 December 2022							
Dividend payable	4,813,878	4,813,878	4,813,878	-	-	-	-
Other payables*	1,141,016	1,141,016	-	1,141,016	-	-	-
	5,954,894	**5,954,894**	**4,813,878**	**1,141,016**	**-**	**-**	**-**

*This excludes all statutory payments.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent and non controlling interest.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt capital divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position including non controlling interest. The Group has a debt/equity threshold of 0.6 times.

	31-Dec-23	31-Dec-22
Interest bearing debt	27,448,620	19,004,443
Total equity	53,181,592	45,280,211
Total capital	80,630,212	64,284,654
Gearing ratio (%)	52	42

3.3 Fair value estimation

Financial instruments are normally held by the group until they close out in the normal course of business. Most of the fair values of the group's financial instruments approximate their carrying values due to its short term nature hence no further fair value disclosures are made. The maturity profile of short term liabilities fall due within 12 months. The maturity profile of long-term liabilities, are as disclosed in Note 3.1 (c) of these annual financial statements.

Short-term borrowings are measured at amortised cost using the effective interest rate method and the carrying amounts approximate the fair value. Fair valuation of borrowings was done using the income approach. This approach entails a calculation of the present value of expected future cash flows. The fair value hierarchy for borrowings is level 2 *(see below table)*

Due to their short term nature, there are no significant differences between the carrying values and the fair values of financial assets and liabilities, except for intra-group loans at company level which are eliminated on consolidation.

The table below sets out the classification of each class of financial assets and liabilities, as well as a comparison to their fair values. The different fair value levels are given below:
Level 1: Quoted prices in active markets for identical assets or liabilities, for identical assets or liabilities that the Group can access at the measurement date (equity instrument at fair value through OCI)
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Note 40 provides the fair value measurement hierarchy of the Group's assets and liabilities for the year ended 31 December 2023

i) Assets measured at fair values
a) Investment properties
The valuation techniques used and key inputs to valuation of investment properties have been disclosed on Note 40.

Significant unobservable valuation input:
Price per square metre **N6,004 - N205,126**
Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

b) Equity instrument at fair value through Other Comprehensive Income
The valuation techniques used and key inputs to the fair value of equity instrument have been disclosed on Note 40.

ii) Liabilities for which fair values are disclosed
The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method and by discounting at the relevant borrowing rate of each obligor as at the end of the reporting period. The own non-performance risk as at 31 December 2023 was assessed to be insignificant.

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

	GROUP			
	31-Dec-23		31-Dec-22	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Equity held at fair value through OCI	266,311	266,311	514,965	514,965
Trade and other receivables - Non-current	2,146,881	2,146,881	2,146,881	2,146,881
	2,413,192	**2,413,192**	**2,661,846**	**2,661,846**
Liabilities				
Bank overdrafts and current portion of borrowings	24,988,599	24,988,599	16,537,153	16,537,153
Long term borrowings	2,460,021	2,460,021	2,467,290	2,467,290
	27,448,620	**27,448,620**	**19,004,443**	**19,004,443**

4 Significant judgements, estimates and assumptions

The preparation of the Group and Company's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Significant judgements

a) Revenue from contracts with customers

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

Determining the timing of satisfaction of application of paints

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

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

Determining the timing of satisfaction of sales of paint

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

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

Determining the timing of satisfaction of sales of food and beverages

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

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

Determining the timing of satisfaction of sales of feeds and concentrates

The Group concluded that revenue for sales of feeds and concentrates is to be recognised as a point in time; when the customer obtains control of the goods. The Group assess when control is transferred using the indicators below:
• The Group has a present right to payment for the goods;
• The customer has legal title to the goods;
• The Group has transferred physical possession of the asset and delivery note received;
• The customer has the significant risks and rewards of ownership of the goods; and
• The customer has accepted the goods.

Determining the timing of satisfaction of service and management fees

The Group concluded that revenue earned from rendering management services on leased or sold properties will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group’s performance.
The Group has determined that the output method faithfully depicts its performance in transferring control of the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.
The Group has assessed that there is a direct relationship between the Group’s measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

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

The Group concluded that revenue from commercial services rendered to related parties will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group’s performance.
The Group has determined that the output method is the best method for measuring progress of rendering the services to the customer. The output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.
The Group has assessed that there is a direct relationship between the Group’s measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

Determining the timing of satisfaction of management services on lease agreements

The Group concluded that revenue from management services on lease agreements will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group’s performance.
The Group has determined that the input method will effectively capture UACN’s efforts to render the services. Such efforts include cost incurred to render the services.

Determining method to estimate variable consideration and assessing the constraint

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

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

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

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

b) Provisions

Provisions were raised and management determined a best estimate of amount based on the information available. Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates. Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which requires management estimation.

The Group is required to record provisions for legal or constructive contingencies when the contingency is probable of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

(c) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(d) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(e) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

4.2 Significant estimates and assumptions

a) Investment Property

The Group uses a combined approach of valuing investment properties using professionally qualified experts.
For breakdowns of the properties valued using each of this refer to Note 15

Management makes use of a number of methods to assess the fair value of investment property:
- Open market value
- Direct market comparison approach
- Current replacement cost approach

For purposes of the fair value recognised in the financial statements the open market method is adopted. The Open market value method falls under the "market approach" as stipulated in IFRS 13

To obtain the open market value the following were considered:

- Market participants
- The property is freely exposed to the market
- A reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market
- No account is to be taken of an additional bid by a special purchaser

b) Estimates of useful lives and residual values

The estimates of useful lives and residual values of PPE impact the annual depreciation charge.
The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

c) Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in use and fair value less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact estimations and may require a material adjustment to the carrying value of intangible and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for expected future cash flows for each group of assets. Expected future cashflows used to determine the value-in-use of intangible and tangible assets are inherently uncertain and could materially change over time.

d) Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(f) Measurement of the expected credit loss allowance for other financial assets

The measurement of the expected credit loss allowance for other financial assets measured at amortised cost (e.g. cash and cash equivalents, debt instruments measured at amortised cost and due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.1 (b), which also sets out key sensitivities of the ECL to changes in these elements.

(g) Deferred tax asset

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(h) Going Concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management has considered the existing and anticipated factors that might affect the business and we are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(i) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(j) Assets held for sale

The Board considered the non current assets held for sale to meet the criteria to be classified as held for sale at the reporting date for the following reasons:

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

5. Segment Analysis

The Group

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

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

Animal Feeds & Other Edibles - Made up of business units involved in the manufacturing and sale of livestock feeds and edible oil.
Paints - Made up of business units involved in the manufacturing and sale of paints products and other decoratives.
Packaged Food & Beverages - Made up of a business unit involved in the manufacturing and sale of bottled water, snacks and ice-cream.
QSR (Quick Service Restaurants) - Made up of a business unit involved in the making and sale of snacks and meals.
Others - This is a non-reportable segment made up of the corporate head office.

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

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

	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
31 December 2023	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Revenue from contracts with customers	66,941,974	23,890,279	28,704,595	3,715,257	924,325	**124,176,430**
Rental income	-				217,909	**217,909**
Total Revenue	**66,941,974**	**23,890,279**	**28,704,595**	**3,715,257**	**1,142,234**	**124,394,339**
Intergroup revenue	(2,775,932)	(1,307)	(151,330)		(937,308)	**(3,865,876)**
Revenue from third parties	64,166,042	23,888,972	28,553,265	3,715,257	204,927	**120,528,463**
Operating (loss)/profit	(23,810)	3,253,029	1,378,525	(956,775)	5,441,664	**9,092,633**
(Loss)/Profit before tax	(2,452,296)	3,778,928	2,230,042	(1,247,183)	10,030,563	**12,340,054**
Property, plant and equipment	12,236,586	2,401,139	9,788,637	981,635	802,906	**26,210,903**
Net assets/(liabilities)	9,855,874	7,969,707	9,759,696	(2,252,841)	27,849,156	**53,181,592**

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

Entity wide information

Analysis of revenue by category:	**31 Dec 23** N'000	**31 Dec 22** N'000
Revenue from contracts with customers	120,323,536	109,054,411
Rental income	204,927	215,988
	120,528,463	**109,270,399**

Analysis of revenue by geographical location:	**31 Dec 23** N'000	**31 Dec 22** N'000
Nigeria	120,528,463	109,270,399
Others	-	-
	120,528,463	**109,270,399**

Concentration risk

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

Disaggregated Revenue
Group

Segments	Animal Feeds & Other Edibles	Paints	Packaged Food & Beverages	QSR	Others	Total
	For the year ended 31 December 2023					
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	64,166,042	23,794,711	28,553,265	3,715,257	-	120,229,275
Rendering of service	-	94,261	-	-	204,927	299,188
Total	**64,166,042**	**23,888,972**	**28,553,265**	**3,715,257**	**204,927**	**120,528,463**
Geographical Markets						
Nigeria	64,166,042	23,888,972	28,553,265	3,715,257	204,927	120,528,463
Outside Nigeria	-	-	-	-	-	-
Total	**64,166,042**	**23,888,972**	**28,553,265**	**3,715,257**	**204,927**	**120,528,463**
Timing of revenue						
Goods transferred at a point in time	64,166,042	23,794,711	28,553,265	3,715,257	-	120,229,275
Services transferred over time	-	94,261	-	-	204,927	299,188
	64,166,042	**23,888,972**	**28,553,265**	**3,715,257**	**204,927**	**120,528,463**

Disaggregated Revenue
Group

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

6 Dividend income	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Dividend income from subsidiaries	-	-	730,582	829,136
Dividend income from associate	35,060	-	35,060	-
Dividend income from third parties	17,125	9,250	17,125	9,250
Total dividend income	**52,185**	**9,250**	**782,767**	**838,386**

6(a) Reconciliation to dividend received in statement of cash flows	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Gross dividend income	52,185	9,250	782,767	838,386
Scrip dividend income	-	-		(501,408)
Withholding tax on dividend income	(5,218)	(925)	(78,277)	(83,839)
Dividend received	**46,967**	**8,325**	**704,490**	**253,139**

7i Other operating income/(loss)	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Profit on sale of Property, Plant and Equipment	7,114,667	15,459	6,999,525	2,335
Loss on disposal of equity investment (i)	(62,653)	-	(62,653)	-
Profit on sale of investment properties	696,052	458,049	696,052	458,049
Net fair value loss on investment properties (Note 15)	(186,371)	(806,374)	(186,371)	(806,374)
Profit on disposal of asset held for sale	2,873	-	-	-
Write off of Property, Plant and Equipment	-	(125,935)	-	(153)
Government grant (Note 28)	88,418	264,350	-	-
Lease modification adjustment	139,963	-	-	
Other income (a)	1,024,806	937,288	803,788	1,224,299
Total other operating income/(loss)	**8,817,755**	**742,837**	**8,250,341**	**878,156**

(i) This relates to loss on the disposal of the Group and Company's equity investment in Kandua.

(a) Other income	**The Group**		**The Company**	
Other income comprises:	**31 Dec 23**	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Management fees	199,718	149,319	-	-
Sale of scrap, used bags and by products	474,542	297,274	-	-
Board fees and allowances (b)	-	-	54,955	67,606
Recharged costs (c)	-	-	476,903	699,884
Other trading income (d)	350,546	490,695	271,930	456,809
	1,024,806	**937,288**	**803,788**	**1,224,299**

(b) Board fees and allowance

Board fees and allowances are payments received from subsidiaries to compensate personnel from the parent company who serve on the boards of those subsidiaries.

(c) Recharged costs

Recharged costs represent reimbursable expenses incurred by the parent company on behalf of the subsidiaries which are recharged to the subsidiaries. Included in recharged cost is N352,168,978 which represents treasury management fees recharged as a reimbursement of the finance cost incurred on the commercial papers issued by UAC of Nigeria PLC and on-lent to Grand Cereals Limited, UAC Foods Limited and CAP PLC.

(d) Other trading income

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

7ii Impairment loss on financial assets	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N'000	**N'000**	**N'000**	**N'000**
Write back of impairment loss on related party receivables (Note 23)	2,177	11,147	1,816	11,947
Impairment loss on other receivables	(99,650)	(51,048)	(135,191)	(46,032)
Impairment loss/(Write back) on debt securities (Note 19)	(1,215)	2,804	(1,215)	2,804
Impairment loss/(Write back) on short term deposit	(1,588)	149	(1,588)	149
Impairment loss on other financial assets (a)	(678,750)	92,255	(678,750)	-
Impairment loss on trade receivables (Note 23)	(82,447)	(116,263)	-	-
Total impairment loss on financial assets	**(861,473)**	**(60,956)**	**(814,928)**	**(31,132)**

(a) Impairment loss on other financial asset

Impairment loss on other financial asset consists of ₦680mn provision for other financial assets that are doubtful of recovery.

8 (a) Expenses by Nature	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Raw materials consumed and changes in finished goods and work in progress	85,573,401	80,786,468	-	-
Write down of inventories to net realisable value	387,658	152,352	-	-
Personnel expenses (f)	11,629,785	11,059,494	1,450,672	1,369,410
Depreciation charge on property, plant and equipment	2,960,274	2,496,127	155,354	159,996
Depreciation charge on right-of-use asset	488,692	481,602	-	-
Amortisation of intangibles	500,946	206,739	13,625	7,721
Impairment of property, plant and equipment	20,000	-	-	-
Royalty fees	764,645	579,569	-	-
Rents & rates	220,899	151,578	45,824	35,006
Electricity & power	3,640,890	4,570,402	27,592	14,398
Vehicles repairs, maintenance & fueling	791,882	885,130	2,051	1,676
Other repairs & maintenance	682,792	791,944	25,361	52,042
Auditors' remuneration (d)	198,049	130,420	55,213	28,729
Information technology charge	1,333,559	765,342	56,551	30,269
Legal and professional expenses	1,118,777	635,565	667,884	274,644
Donations	16,286	25,325	3,174	7,250
Subscriptions	86,252	75,799	50,988	20,317
Insurance	568,231	314,416	55,152	20,977

8 (a) Expenses by Nature cont'd

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Distribution expenses	4,205,830	4,125,529	-	-
Loss on lease termination	2,468	910	-	-
Marketing, Advertising & Communication	1,911,377	1,684,978	5,108	17,303
Hire of equipment	146,298	138,959	-	-
Catering expenses	369,383	336,117	19,968	15,091
Cleaning, laundry & sanitation	209,722	191,339	1,418	1,683
Levies, licenses & permit	54,072	57,063	-	-
Security	261,704	276,377	2,350	1,111
Travelling expenses	362,975	394,219	71,277	22,457
AGM expenses	74,437	84,724	35,696	39,587
Bank charges	98,175	102,623	9,383	7,931
Stationery and printing	65,863	133,745	1,804	2,273
Uniform and safety kit	23,262	22,319	90	260
Training and recruitment expenses	67,716	101,610	52,515	87,098
Consumables	115,562	110,203	-	-
Project expense	20,395	68,989	-	450
Entertainment expense	65,132	17,585	-	-
Corporate gifts	37,749	217,636	13,808	8,727
Back duty assessment tax(c)	16,766	-	-	-
Sundry office expenses (e)	352,398	172,259	324	26,258
	119,444,297	**112,345,456**	**2,823,181**	**2,252,664**

8 (b) Expenses by Function

Analysed as:

Cost of sales	99,209,852	95,033,006	-	-
Selling and distribution expenses	8,794,927	8,506,977	-	-
Administrative expenses	11,439,518	8,805,473	2,823,181	2,252,664
	119,444,297	**112,345,456**	**2,823,181**	**2,252,664**

8 (c) Back duty assessment tax

The amount represents the back duty assessment on VAT for years 2013 to 2017 paid by the Grand Cereals Limited during the year.

8 (d) Auditors' Remuneration

During the year, the Group's auditors Messrs KPMG Professional Services provided the following services and earned stated fees

	The Group		The Company	
Services	**31 Dec 23**	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Audit related services: (comprising of Audit fee, Assurance on ICFR)	187,874	128,270	45,538	26,579
Non audit services: (comprising of whistle-blowing services, Finance structure and Tax regulatory)	10,175	2,150	9,675	2,150
Total	**198,049**	**130,420**	**55,213**	**28,729**

8 (e) Sundry office expenses

Sundry office expenses comprises the following:

VAT on commercial service fees	68,035	52,087	-	-
Loss on liquidation of UNICO Gratuity CPFA	-	-	-	19,812
Other miscellaneous expenses (i)	284,363	120,172	324	6,446
	352,398	172,259	324	26,258

(i) Other miscellaneous expenses

Included in other miscellaneous expense is the cost of Product research, Sampling and testing, Product development, Tax audit provision and other expenses.

8 (f) Personnel expenses

Personnel expenses include:

Wages, salaries and other short term benefits for staff and managers (excluding directors)	10,034,086	9,594,462	798,272	787,930
Directors' emoluments	974,212	886,586	372,594	304,188
Defined contribution plans	377,548	334,507	35,867	33,353
Share based payment expense	243,939	243,939	243,939	243,939
	11,629,785	**11,059,494**	**1,450,672**	**1,369,410**

8 (f) Particulars of directors and staff

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

	The Group		The Company	
	2023	2022	2023	2022
Costs	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Key management personnel:				
Wages, salaries and other short term benefits	1,120,323	1,059,903	121,159	287,207
Directors' emoluments				
- Executive Directors	386,407	646,529	279,426	201,407
- Non-Executive Directors	251,069	240,057	93,168	102,781
	637,476	886,586	372,594	304,188
Post employment benefits:				
- Defined contribution plans	32,360	25,679	19,300	13,294
Total for directors and key management personnel	**1,790,159**	**1,972,168**	**513,053**	**604,689**
Other management personnel	4,707,512	3,725,007	315,787	224,280
Staff	4,888,175	5,118,381	377,893	296,502
Share based benefits - Long Term Incentive Plan (Note 33)	243,939	243,939	243,939	243,939
Total	**11,629,785**	**11,059,494**	**1,450,672**	**1,369,410**

	The Group		The company	
	2023	2022	2023	2022
Numbers	**Number**	**Number**	**Number**	**Number**
Key management personnel	40	27	3	3
Other management personnel	602	549	11	10
Staff	816	812	17	26
Total	**1,458**	**1,388**	**31**	**39**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Average cost per staff	7,977	7,968	46,796	35,113

(II) The table below shows the number of employees (excluding non executive directors), who earned over N300,000 as emoluments in the year and were within the bands stated.

	The Group		The Company	
	2023	2022	2023	2022
N	**Number**	**Number**	**Number**	**Number**
300,001 - 500,000	-	-	-	-
500,001 - 700,000	2	2	-	-
700,001 - 900,000	114	131	-	-
900,001 - 1,100,000	19	53	-	-
1,100,001 - 1,300,000	60	61	-	1
1,300,001 - 1,500,000	41	76	-	1
1,500,001 and Above	1,222	1,065	31	37
	1,458	**1,388**	**31**	**39**

	The Company	
	2023	2022
(iii) Emoluments of directors	**N' 000**	**N' 000**
Fees	13,275	13,969
Other emoluments	359,319	290,219
	372,594	**304,188**
(iv) The Chairman's emolument.	25,051	23,389
(v) Emolument of the highest paid Director.	128,855	83,332

(vi) The table below shows the number of directors of the Company, whose remuneration, excluding pension contributions, fell within the bands shown.

	The Company	
	2023	2022
N	**Number**	**Number**
100,001 - 15,000,000	5	5
15,000,001 and above	4	5
	9	**10**

9. Net finance income

	The Group		The Company	
	31 Dec 23 N' 000	31 Dec 22 N' 000	31 Dec 23 N' 000	31 Dec 22 N' 000
Interest income on short-term bank deposits	1,326,004	699,208	868,846	366,672
Interest income on Eurobonds	227,893	180,628	227,893	180,628
Interest income on loans	194,459	238,212	378,862	385,155
Interest income on finance lease assets	33,331	3,300	-	-
Total interest income	**1,781,687**	**1,121,348**	**1,475,601**	**932,455**
Exchange gain	4,164,152	326,521	2,418,349	11,193
Finance Income	**5,945,839**	**1,447,869**	**3,893,950**	**943,648**
Interest expense on bank loans - Note 25	(2,860,278)	(2,680,239)	(17,517)	(11,949)
Interest expense on commercial paper - Note 25	(432,186)	(580,984)	(432,186)	(580,984)
Interest expense on lease liability - Note 21	(198,439)	(204,740)	-	-
Amortisation of premium on Eurobonds	(67,118)	(61,694)	(67,118)	(61,694)
Unwinding of discount on provisions	-	(5,046)	-	-
Finance Costs	**(3,558,021)**	**(3,532,703)**	**(516,821)**	**(654,627)**
Net finance income/(cost)	**2,387,818**	**(2,084,834)**	**3,377,129**	**289,021**

Analysis of interest income

	The Group		The Company	
	31 Dec 23 N' 000	31 Dec 22 N' 000	31 Dec 23 N' 000	31 Dec 22 N' 000
Interest on fixed deposit	1,303,671	692,227	846,513	365,092
Interest on related party loans	194,459	238,212	378,862	385,155
Interest on call deposit	8,562	6,926	8,562	1,525
Interest on current account	62	23	62	23
Interest on commercial paper	13,710	162	13,710	162
Coupon on Eurobonds	227,892	180,498	227,892	180,498
Interest on finance lease assets	33,331	3,300	-	-
Interest income	1,781,687	1,121,348	1,475,601	932,455

10. Taxation

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 Restated N'000
Current tax				
Nigeria corporation tax charge for the year	1,263,110	840,503	79,014	24,494
Education tax	219,820	117,912	6,821	5,517
Capital gains tax	911,188	68,776	910,235	68,492
Police Trust Levy	784	220	479	37
Withholding tax on dividend income	78,277	83,839	78,277	83,839
Prior year over provision	-	(136)	-	-
Charge on back duty tax assessment	412,567	-	-	-
Total current tax charge	2,885,747	1,111,114	1,074,826	182,379
Deferred tax				
Temporary differences, origination and reversal (note (26))	189,919	(1,933,657)	300,165	(133,499)
Total deferred tax	**189,919**	**(1,933,657)**	**300,165**	**(133,499)**
Income tax expense	**3,075,665**	**(822,543)**	**1,374,991**	**48,880**

Nigeria corporation tax is calculated at 30% (2022: 30%) of the taxable profit for the period and education tax is calculated at 3% (2022: 2.5%) of assessable profit.

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

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Profit/(loss) before tax (A)	**12,340,054**	**(4,365,316)**	**9,914,362**	**730,708**
Tax at the Nigeria corporation tax rate of 30% (2022: 30%)	3,702,016	*(1,309,595)*	2,974,309	219,212
Education tax	219,820	117,912	6,821	5,517
Capital gains tax	911,188	68,776	910,235	68,492
Back duty tax	412,567	-	-	-
Tax effect of disallowable expenses	1,190,722	539,392	122,235	8,099
Tax effect of Exempt income	(2,913,957)	(495,529)	(2,773,643)	(313,123)
Temporary differences(a)	(24,926)	(247,339)	-	(27,104)
Trust levy	784	220	479	37
Change in estimate relating to prior years	(4,317)	33,469	-	-
Tax incentives	(781,922)	-	-	-
Unrelieved losses	-	72,477	-	-
Effect of current year unrecognised deferred tax	222,185	309,194	-	-
Investment allowance	-	175	-	274
Withholding tax on dividend income	78,277	83,839	78,277	83,839
Balancing charge	63,226	4,465	56,279	3,637
Tax charge for the year (B)	**3,075,665**	**(822,543)**	**1,374,991**	**48,880**
Effective tax rate B/A	**25%**	**19%**	**14%**	**7%**

(a) Temporary differences disclosed above relates to previously unrecognised tax losses

Current income tax liabilities	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Opening balance	3,997,168	3,726,695	2,522,118	2,490,527
Back duty taxes	412,567	-	-	-
Income tax expense	2,473,179	1,111,114	1,074,826	182,379
Minimum tax	356,275	456,730	-	-
Withholding tax credit notes utilised	(70,526)	(181,136)	(24,494)	(103,772)
Payment during the year	(1,893,471)	(1,116,235)	(138,128)	(47,016)
	5,275,193	**3,997,168**	**3,434,322**	**2,522,118**

11. Dividend

	The Company	
	2023	**2022**
Amounts recognised as distribution to ordinary shareholders in the year comprise:	**N'000**	**N' 000**
Dividend declared	643,749	1,872,843
Number of shares (000)	2,926,132	2,881,296
Dividends per share (kobo per share)	**22**	**65**

12. Earnings Per Share

(a) Basic

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Profit/(Loss) attributable to ordinary equity shareholders:				
Profit/(Loss) from continuing operations	9,187,469	(3,088,873)	8,539,371	681,828
Profit from discontinued operations	-	9,951	-	-
Profit/(Loss) for the year	**9,187,469**	**(3,078,922)**	**8,539,371**	**681,828**
Basic earnings/(loss) per share				
From continuing operations	314	(107)	295	24
From discontinued operations	-	-	-	-
Earnings/(loss) per share	314	(107)	295	24

	The Company	
	2023	**2022**
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	2,926,132	2,896,241

(b) Diluted earnings per share

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

13. Property, plant and equipment

The Group

Cost:	Land	Buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	1,352,793	7,958,006	23,897,213	1,246,242	4,182,379	1,255,131	3,020,588	42,912,353
Additions	-	129,462	2,153,025	52,608	573,548	129,288	1,545,567	4,583,497
Disposals	-	(186,741)	(633,611)	(20,721)	(414,811)	(20,316)	-	(1,276,201)
Transfer to intangible assets(a)	-	-	-	-	-	14	(6,267)	(6,254)
Reclassification	-	181,977	480,801	72,860	410,583	133,643	(1,279,865)	-
Other reclassifications (b)	-	-	(110,552)	-	-	-	(34,926)	(145,478)
At 31 December 2023	**1,352,793**	**8,082,704**	**25,786,876**	**1,350,989**	**4,751,699**	**1,497,760**	**3,245,097**	**46,067,917**
At 1 January 2022	1,352,793	7,581,181	21,677,807	1,176,802	3,466,064	1,043,076	2,678,305	38,976,029
Additions	-	265,349	2,743,281	109,154	1,117,000	151,905	1,582,500	5,969,189
Disposals	-	-	(399,545)	(17,206)	(137,513)	(2,834)	-	(557,098)
Transfer to intangible assets(a)	-	17,476	-	11	-	9,639	(499,306)	(472,180)
Transfer from assets held for sale	-	-	18,299	-	-	2,786	-	21,085
Write off	-	(7,287)	(677,419)	(46,982)	(291,437)	(1,547)	-	(1,024,672)
Reclassification	-	101,287	534,790	24,463	28,265	52,106	(740,911)	-
At 31 December 2022	**1,352,793**	**7,958,006**	**23,897,213**	**1,246,242**	**4,182,379**	**1,255,131**	**3,020,588**	**42,912,353**
Accumulated depreciation and impairment								
At 1 January 2023	-	2,372,913	11,815,524	925,105	1,944,199	811,202	-	17,868,943
Charge for the year	-	221,908	1,685,118	147,991	745,072	160,184	-	2,960,273
Impairment	-	-	-	-	-	-	20,000	20,000
Disposals	-	(75,062)	(554,793)	(17,483)	(329,121)	(15,742)	-	(992,201)
At 31 December 2023	**-**	**2,519,759**	**12,945,850**	**1,055,613**	**2,360,150**	**955,644**	**20,000**	**19,857,015**
At 1 January 2022	-	2,200,953	11,243,066	861,702	1,732,691	701,954	-	16,740,366
Charge for the year	-	178,799	1,483,695	112,898	609,504	111,232	-	2,496,128
Disposals	-	-	(367,791)	(2,751)	(113,811)	(1,401)	-	(485,754)
Transfer from assets held for sale	-	-	16,103	-	-	836	-	16,939
Write-off	-	(6,839)	(559,549)	(46,745)	(284,184)	(1,419)	-	(898,736)
At 31 December 2022	**-**	**2,372,913**	**11,815,524**	**925,105**	**1,944,199**	**811,202**	**-**	**17,868,943**
Net book values:								
At 31 December 2023	**1,352,793**	**5,562,945**	**12,841,027**	**295,376**	**2,391,549**	**542,116**	**3,225,097**	**26,210,902**
At 31 December 2022	**1,352,793**	**5,585,093**	**12,081,689**	**321,137**	**2,238,180**	**443,929**	**3,020,588**	**25,043,410**

(a) Reclassifications out of property, plant and equipment relate to the transfer of IT software from capital work in progress to intangible assets

(b) Other reclassifications relates to reversals made during the year
(c) Impairment loss of ₦20million was recognised on property, plant and equipment (2022:Nil)
(d) No borrowing cost was capitalised during the year (2022:Nil)
(e) The property, plant and equipment are not pledged as security by the Group (2022:Nil)
(f) Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings, Plant and machinery, Motor vehicles as well as equipment as at year end.

13. Property, plant and equipment

The Company

Cost:	**Building**	**Plant and Machinery**	**Computer Equipment**	**Motor Vehicles**	**Office Furniture**	**Capital Work in progress**	**Total**
		N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	764,712	340,563	179,585	286,169	90,145	9,921	1,671,095
Additions	53,914	-	42,193	122,846	-	-	218,953
Disposals	(186,722)	-	(12,557)	(46,190)	(2,206)	-	(247,675)
Intercompany transfer	-	-	-	-	298		298
Transfer (to)/from intangible assets	-	-	-	-	14	(6,267)	(6,253)
At 31 December 2023	**631,904**	**340,563**	**209,221**	**362,825**	**88,251**	**3,654**	**1,636,418**
At 1 January 2022	733,950	360,072	155,380	284,469	81,124	31,893	1,646,890
Additions	13,286	9,142	26,085	49,450	929	60,993	159,885
Disposals	-	(23,412)	(1,376)	(47,750)	-	-	(72,538)
Write Off	-	(5,239)	(515)	-	(1,547)	-	(7,301)
Transfer to intangible assets	17,476	-	11	-	9,639	(82,965)	(55,839)
At 31 December 2022	**764,712**	**340,563**	**179,585**	**286,169**	**90,145**	**9,921**	**1,671,097**
Accumulated depreciation and impairment							
At 1 January 2023	259,038	233,662	120,637	153,017	41,205	-	807,559
Charge for the year	14,776	36,759	23,165	65,265	15,390	-	155,354
Disposals	(75,062)	-	(10,784)	(41,571)	(1,984)	-	(129,402)
At 31 December 2023	**198,752**	**270,421**	**133,018**	**176,711**	**54,611**	**-**	**833,511**
At 1 January 2022	245,092	216,245	101,007	127,233	24,529	-	714,107
Charge for the year	13,946	46,042	20,811	61,101	18,095	-	159,995
Disposals	-	(23,411)	(667)	(35,317)	-	-	(59,395)
Write Off	-	(5,214)	(514)	-	(1,419)	-	(7,147)
At 31 December 2022	**259,038**	**233,662**	**120,637**	**153,017**	**41,205**	**-**	**807,560**
Net book values:							
At 31 December 2023	**433,152**	**70,142**	**76,203**	**186,114**	**33,640**	**3,654**	**802,906**
At 31 December 2022	**505,674**	**106,901**	**58,948**	**133,152**	**48,940**	**9,921**	**863,537**

No impairment loss was recognised on property, plant and equipment (2022:Nil)
No borrowing cost was capitalised during the year (2022:Nil)
The property, plant and equipment are not pledged as security by the Company (2022:Nil)
Capital work in progress comprises amounts incurred with respect to Leasehold improvements as at year end.

14. Intangible assets and goodwill

	Group					Company		
	Goodwill	**Brands & Trade Marks**	**Software**	**Capital Work in progress**	**Total**	**Software**	**Capital Work in progress**	**Total**
Cost	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
At 1 January 2023	548,747	1,070,185	3,216,255	4,622	**4,839,809**	252,141	**-**	**252,141**
Additions	**-**	**-**	69,145	-	**69,145**	2,026	**-**	**2,026**
Transfer from property, plant and equipment	-	-	6,254	-	**6,254**	6,254	**-**	**6,254**
Intercompany transfer	-	-	-	-	**-**	(350)	**-**	**(350)**
Disposal	-	-	(3,189)	-	**(3,189)**	(32)	**-**	**(32)**
Write-off	-	-	(2,957)	**-**	(2,957)	**-**	**-**	**-**
At 31 December 2023	**548,747**	**1,070,185**	**3,285,508**	**4,622**	**4,909,062**	**260,039**	**-**	**260,039**
At 1 January 2022	548,747	1,070,185	849,016	180,118	**2,648,066**	196,302	-	**196,302**
Additions	-	-	1,422,626	422,893	**1,845,519**	-	-	**-**
Transfer from property, plant and equipment	-	-	472,180	-	**472,180**	55,839	-	**55,839**
Reclassifications	-	-	598,389	(598,389)	**-**	-	-	**-**
Write-off	-	-	(125,956)	-	**(125,956)**	-	-	**-**
At 31 December 2022	**548,747**	**1,070,185**	**3,216,255**	**4,622**	**4,839,809**	**252,141**	**-**	**252,141**
Accumulated amortisation								
At 1 January 2023	-	288,439	924,625	-	**1,213,063**	197,133	-	197,133
Amortisation for the period	-	-	500,946	-	**500,946**	13,625	-	**13,625**
Write-off	-	-	(2,957)	-	**(2,957)**	-	-	**-**
At 31 December 2023	**-**	**288,439**	**1,422,614**	**-**	**1,711,052**	**210,758**	**-**	**210,758**
At 1 January 2022	-	288,439	839,978	-	**1,128,417**	189,412	-	189,412
Amortisation for the period	-	-	206,740	-	**206,740**	7,721		7,721
Write-off	-	-	(122,094)	-	**(122,094)**	-		**-**
At 31 December 2022	**-**	**288,439**	**924,625**	**-**	**1,213,063**	**197,133**	**-**	**197,133**
Net book values								
At 31 December 2023	**548,747**	**781,747**	**1,862,894**	**4,622**	**3,198,009**	**49,281**	**-**	**49,281**
At 31 December 2022	**548,747**	**781,747**	**2,291,630**	**4,622**	**3,626,747**	**55,008**	**-**	**55,008**

Impairment Test for Goodwill

Goodwill acquired through business combination is allocated to each of the Cash-Generating Unit (CGU) that are expected to benefit from the synergies of the combination. For the purpose of allocation, the individual entities were regarded as single cash generating unit.

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

	Opening	**Addition**	**Disposal**	**Impairment**	**Other Adjustments**	**Closing**
2023	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Chemical and Allied Products PLC	339,042	-	-	-	-	339,042
	548,747	**-**	**-**	**-**	**-**	**548,747**

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

Animal Feeds CGU under Livestock Feeds

Livestock Feeds PLC is the CGU in the Animal feeds segment with goodwill. The recoverable amount of the CGU was ₦4.1billion as at 31 December 2023 (2022: ₦2.8 billion). The recoverable amount was determined based on the fair value less cost of disposal of the company which was obtained from the Nigerian Exchange Limited (NGX) and is categorised as level 1 in the fair value hierarchy (2022: The recoverable amount was determined based on the fair value less cost of disposal of the Company which was obtained from the Nigerian Exchange Limited (NGX) and is categorised as level 1 in the fair value hierarchy). The fair value less cost of disposal exceeds the carrying value of the CGU of ₦2.5 billion, consequently no impairment was charged as at 31 December 2023 (2022: Nil).

Paints CGU under Chemical and Allied Products PLC

In July 2021, the merger between Chemical and Allied Products PLC (CAP) and Portland Paints and Products Nigeria PLC (PPNP) became effective with CAP emerging as the surviving entity, consequently CAP became the CGU in the paints segment with goodwill. The recoverable amount of the CGU was ₦9.3billion as at 31 December 2023 (2022: ₦7.9 billion), determined based on a fair value less cost of disposal of the CAP which was obtained from the Nigerian Exchange Limited (NGX), and is categorised as level 1 in the fair value hierarchy (2022: The recoverable amount was determined based on the fair value less cost of disposal of the Company which was obtained from the Nigerian Exchange Limited (NGX) and is categorised as level 1 in the fair value hierarchy). The fair value less cost of disposal exceeds the carrying amount of the CGU (N3.3billion), consequently no impairment was charged as at 31 December 2023 (2022: Nil).

15 . Investment property

	The Group			The Company		
Fair value	Freehold land and building N' 000	Leasehold land and building N' 000	**Total investment properties N' 000**	Freehold land and building N' 000	Leasehold land and building N' 000	**Total investment properties N' 000**
At 1 January 2023	-	2,435,360	2,435,360	-	2,435,360	2,435,360
Disposals	-	(1,058,360)	(1,058,360)	-	(1,058,360)	(1,058,360)
Net loss from fair value adjustments on investment property	-	(186,371)	(186,371)	-	(186,371)	(186,371)
At 31 December 2023	**-**	**1,190,629**	**1,190,629**	**-**	**1,190,629**	**1,190,629**
At 1 January 2022	-	3,470,685	3,470,685		3,470,685	3,470,685
Disposals	-	(228,951)	(228,951)	-	(228,951)	(228,951)
Net loss from fair value adjustments on investment property	-	(806,374)	(806,374)	-	(806,374)	(806,374)
At 31 December 2022	**-**	**2,435,360**	**2,435,360**	**-**	**2,435,360**	**2,435,360**

Fair value of investment properties is categorised as follows:

	The Group			The Company		
31-Dec-23	Freehold land and building **N' 000**	Leasehold land and building **N' 000**	**Total investment properties N' 000**	Freehold land and building **N' 000**	Leasehold land and building **N' 000**	**Total investment properties N' 000**
External valuation		1,190,629	1,190,629	-	1,190,629	1,190,629
	-	1,190,629	1,190,629	-	1,190,629	1,190,629

Fair value of investment properties is categorised as follows:

	The Group			The Company		
31-Dec-22	Freehold land and building **N' 000**	Leasehold land and building **N' 000**	**Total investment properties N' 000**	Freehold land and building **N' 000**	Leasehold land and building **N' 000**	**Total investment properties N' 000**
External valuation	-	2,435,360	2,435,360	-	2,435,360	2,435,360
	-	2,435,360	2,435,360	-	2,435,360	2,435,360

Significant unobservable valuation input (Fair value hierarchy - Level 3):
Price per square metre **N6,004 - N205,126**
Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

The Group’s investment properties were valued in December 2023 by Diya Fatimilehin & Co. (FRC/2023/COY/098756), an independent professionally qualified valuation company with over four decades of experience in valuation of the categories of the investment properties valued. The valuation report for 2023 was signed by the firm's Managing partner Fatimilehin Adegboyega (FRC/2013/NIESV/00000000754)

	The Group		The Company	
Rental income schedule	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**	**31 Dec 23 N' 000**	**31 Dec 22 N' 000**
Rental income derived from investment properties	44,313	60,638	44,313	60,638
Direct operating expenses (including repairs and maintenance) on investment property generating rental income	(4,718)	(598)	(4,718)	(598)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(12,221)	(10,933)	(12,221)	(10,933)
Profit arising from investment properties carried at fair value	**27,374**	**49,107**	**27,374**	**49,107**

The above rental income was included in the revenue

Group and Company as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and residential buildings. These leases have terms of between 6 months to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group/Company during the year is N208,201,754/N221,184,094 (2022: Group - N215,987,984; Company: N227,591,684)

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

	The Group		The Company	
	2023 N' 000	**2022 N' 000**	**2023 N' 000**	**2022 N' 000**
0-1 year	2,190	1,567	2,190	1,567
1-5 years	10,983	9,182	10,983	9,182
Above 5 years	-	-	-	-
Total	**13,173**	**10,749**	**13,173**	**10,749**

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Investments in subsidiaries

Company

	31 Dec 23	31 Dec 22
	N' 000	N' 000
Opening balance	19,037,359	18,535,951
Additions - Acquisitions in Subsidiaries	90,526	501,408
Closing Balance	**19,127,885**	**19,037,359**

	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	N' 000	N' 000	% ownership	% ownership
Quoted shares:				
Chemical and Allied Products PLC	2,945,759	2,945,759	57.85	57.85
471,343,569 (2021: 445,696,097) ordinary shares of 50k each)				
Livestock Feeds PLC	2,246,401	2,246,401	73.29	73.29
2,198,745,772 ordinary shares of 50k each				
Unquoted shares:				
Grand Cereals Limited	7,259,495	7,259,495	71.43	71.43
1,360,081,786 ordinary shares of N1 each				
UAC Foods Limited (a)	6,424,940	6,334,414	99.96	100.00
273,973,143 ordinary shares of 50k each				
UAC Restaurants Limited	251,290	251,290	51.00	51.00
220,830,000 ordinary shares of 50k each				
	19,127,885	**19,037,359**		

Investments in subsidiaries are measured at cost

16(a). Change in percentage holding of UAC Foods Limited
On August 9, 2023, UAC Foods Limited completed the merger with its subsidiary, Spring Waters Nigeria Limited ("SWAN"). Before the merger, UFL held 96.64% equity stake in SWAN. The primary objective of the Merger was to fully integrate SWAN with UAC Foods to maximize management and governance benefits

The merger involved UAC Foods acquiring all of SWAN's assets (including all tax assets (if any), liabilities and business undertakings, including real property and intellectual property rights in exchange for either cash and shares in UFL via a Scheme of Merger.

Based on the agreement reached by the Boards of the two companies, SWAN shareholders received either:
1. ₦3.00 for each ordinary share or
2. 3 ordinary shares of 50 kobo each in UFL, credited as fully paid-up for every 40 SWAN shares held on the Terminal Date.

From the 999,999,990 ordinary shares issued by SWAN, shareholders with 987,722,727 units opted for the second option stated above which led to the issuance of 74,079,207 ordinary shares at UFL (at 50kobo per share) while cash of ₦36,831,789 will be paid to shareholders who holds 12,277,263 units and opted for option 1.

The share consideration has been fully issued as at this reporting date. The cash consideration however has not been fully paid, there is ₦24.2mn which was yet to be paid as at December 31, 2023.

The impact of the merger is also shown below:

	N' 000
Non-controlling interest as at July 31 2023	71,496
Ordinary shares issued to NCI (1,596,812@50k each)	(798)
Purchase of NCI shares on account of UFL merger	(36,832)
Impact of the merger	**33,866**

Change in ownership due to UFL merger with SWAN
UAC of Nigeria PLC ("UACN") shareholding in UAC Foods Limited ("UFL") was diluted during the reporting period as a result of the completed merger between UAC Foods and Spring Waters Nigeria Limited ("SWAN") explained above
The dilution was on account of UFL's ordinary shares that were elected for by some of the minority shareholders of the erstwhile SWAN. Consequently, UACN's holding in UFL reduced by 0.58%, from 100% to 99.42%. The impact of the change in ownership is as shown below:

	N' 000
Net asset attributable to owners as at 31 July 2023	8,898,863
Change in UACN's % holding in UFL	0.58%
Change in ownership as a result of merger	51,846

Change in ownership due to share transfer
Following the dilution of our holdings in UFL explained above, On September 11, 2023 a share transfer arrangement was entered into with some of the minority shareholders of UFL to transfer a total of 1,490,748 units of shares to UAC of Nigeria PLC ("UACN") in exchange for ownership stake in the parent company (UACN). This transfer increased our holdings in UFL from 99.42% to 99.96%. The impact of the change in ownership is as shown below:

	N' 000
Net asset attributable to owners as at 31 August 2023	9,361,340
Change in UACN's % holding in UFL	-0.54%
Change in ownership as a result of share transfer	(50,917)

Change in equity due to the transfer	**N' 000**
Change in NCI ownership	50,917
Consideration for the purchase of NCI shares	(90,526)
Impact of the share transfer on equity	**(39,609)**

16b.Reconciliation of Cash paid to NCI in the Cashflow statement	**N' 000**
Purchase of NCI shares on account of UFL merger	36,832
Consideration for the purchase of NCI shares on account of share transfer	90,526
Amount yet to be paid as at December 31, 2023 (Note 30)	(24,202)
	103,155

17. Equity instruments at fair value through other comprehensive income

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

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
At 1 January	514,965	449,975	514,965	449,975
Additions	110,240	137,862	110,240	137,862
Refund from Kaduna	-	(497)	-	(497)
Disposal of Kandua investment	(108,253)	-	(108,253)	-
Fair value gain/(loss) (a)	(250,641)	(72,375)	(250,641)	(72,375)
At 31 December	**266,311**	**514,965**	**266,311**	**514,965**

The Group

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

	Fair value as at 31 December 2023	Fair value as at 31 December 2022	Dividend Income Recognised in 2023	Dividend Income Recognised in 2022
	N' 000	N' 000	N' 000	N' 000
Investment in Central Securities Clearing System PLC	248,000	155,750	17,125	8,325
Investment in Kandua	-	108,253	-	-
Investment in Unicorn Growth Capital LLC	-	113,100	-	-
Ventures Platform IV GP Limited	18,311	137,862	-	
	266,311	**514,965**	**17,125**	**8,325**

(a) Fair value loss

The fair value loss represents:

(i) a fair value gain of ₦92mn (2022: loss of ₦73mn) on the Company's investment in CSCS PLC. The fair value was determined using level 1 inputs in accordance with IFRS 13, and the fair value measurement was derived from quoted prices on National Association of Security Dealers (NASD Plc) and

(ii) a fair value loss of ₦342mn on Unicorn Growth LLC and Ventures Platform. The fair value was determined using level 3 inputs ("unobservable inputs"). Fair value loss was recognised for both investment due to the recent volatility in the Tech industry.

17(i). Net changes in fair value of financial assets net of tax

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Fair value gain/(loss) on equity instrument through other comprehensive income	(250,641)	(72,375)	(250,641)	(72,375)
Deferred tax (Charged)/Credited to other comprehensive income	(9,225)	7,238	(9,225)	7,238
Net changes in fair value of financial assets net of tax	**(259,866)**	**(65,137)**	**(259,866)**	**(65,137)**

18. Investments in associates

Set out below are the associates of the Group as at 31 December 2023. The associates listed below have share capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associates:

		The Group		The Company	
	Country of incorporation	2023 N'000	2022 N'000	2023 N'000	2022 N'000
UPDC PLC	Nigeria	42.85%	42.85%	42.85%	42.85%
MDS Logistics	Nigeria	43%	43%	43%	43%

	The Group		The Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Associate				
MDS Logistics	5,520,359	4,745,917	1,569,274	1,569,274
UPDC PLC	4,045,611	3,766,080	3,745,233	3,745,233
At 31 December	**9,565,970**	**8,511,997**	**5,314,507**	**5,314,507**

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

	The Group		The Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	8,511,997	8,491,446	5,314,507	5,314,507
Share of profit	859,603	103,444	-	-
Share of other comprehensive profit/(loss)	194,370	(82,893)	-	-
At 31 December	**9,565,970**	**8,511,997**	**5,314,507**	**5,314,507**

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

Set out below is the summarised financial information for the associate and joint ventures accounted for using the equity method in the consolidated financial statements.

31-Dec-23	Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalents N'000	Net Assets N'000
UPDC PLC	9,577,314	10,114,687	4,702,096	6,097,154	4,819,732	8,892,752
MDS Logistics	13,237,757	4,234,368	8,471,081	2,480,063	700,662	6,520,980

31-Dec-23	Revenue N'000	Profit/(loss) from continuing operations N'000	Profit/(loss) from discontinued operations N'000	Other comprehensive income N'000	Total comprehensive income N'000
UPDC PLC	5,113,770	248,548	-	453,606	702,154
MDS Logistics	17,655,464	1,801,029	-	-	1,801,029

31-Dec-22	Non-current assets N'000	Current assets N'000	Non-current liabilities N'000	Current liabilities N'000	Cash & Cash equivalents N'000	Net Assets N'000
UPDC PLC	8,961,489	10,466,915	4,775,112	6,256,655	3,161,475	8,396,637
MDS Logistics	15,792,217	4,286,578	9,386,861	5,793,495	521,792	4,898,439

31-Dec-22	Revenue N'000	Profit/(loss) from continuing operations N'000	Profit/(loss) from discontinued operations N'000	Other comprehensive income N'000	Total comprehensive income N'000
UPDC PLC	5,896,957	200,532	-	(193,450)	7,082
MDS Logistics	10,936,271	81,468	-	-	81,468

	The Group		The Company	
19. Debt instruments at amortised cost	**2023 N' 000**	**2022 N' 000**	**2023 N' 000**	**2022 N' 000**
At 1 January	2,236,615	2,476,184	2,236,615	2,476,184
Additions during the year	-	297,359	-	297,359
Settlements during the year	(183,936)	(585,028)	(183,936)	(585,028)
Coupon accrued	227,892	180,628	227,892	180,628
Coupon received	(224,562)	(184,745)	(224,562)	(184,745)
Premium amortised to P/L	(67,118)	(61,694)	(67,118)	(61,694)
Exchange gain on revaluation	2,036,008	113,911	2,036,008	113,911
Gross investment in debt	4,024,900	2,236,615	4,024,900	2,236,615
ECL -Impairment (Note 3.1 (b))	(5,727)	(4,512)	(5,727)	(4,512)
At 31 December	**4,019,173**	**2,232,103**	**4,019,173**	**2,232,103**

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

The Group invests only in quoted debt securities with low credit risk. The Group's debt instruments at amortised cost comprised solely of quoted eurobonds that are rated by reputable Credit Rating Agencies. The Group recognised provision for expected credit losses on its debt instruments at amortised cost of N5,727,386 (2022: N4,512,742).

31 December 2023		Group and Company		
Bond type	**Stage 1 N' 000**	**Stage 2 N' 000**	**Stage 3 N' 000**	**Total N' 000**
B-/Fitch ETI 2031	406,160	-	-	406,160
B-/S&P; B-/Fitch Ecobank 2024/2026	985,878	-	-	985,878
B-/S&P; B-/Fitch SEPLAT 2026	478,430	-	-	478,430
B/S&P; B+/Fitch FGN 2025/2029	2,105,830	-	-	2,105,830
	3,976,298	**-**	**-**	**3,976,298**
Premium on bonds	48,912	-	-	48,912
Discount on bonds	(310)	-	-	(310)
Total	**4,024,900**	**-**	**-**	**4,024,900**

31 December 2022				
Bond type	**Stage 1 N' 000**	**Stage 2 N' 000**	**Stage 3 N' 000**	**Total N' 000**
B-/Fitch ETI 2031	205,583	-	-	205,583
B-/S&P; B-/Fitch Ecobank 2026	501,535	-	-	501,535
B-/S&P; B-/Fitch SEPLAT 2026	243,177	-	-	243,177
B2/Moody's; B/S&P; B+/Fitch FGN 2025	1,170,600	-	-	1,170,600
	2,120,895			**2,120,895**
Premium on bonds	**116,137**	-	-	**116,137**
Discount on bonds	(417)	-	-	(417)
Total	**2,236,615**	**-**	**-**	**2,236,615**

Movement in Expected Credit Loss (ECL)	**Stage 1 N' 000**	**Stage 2 N' 000**	**Stage 3 N' 000**	**Total N' 000**
At 1 January 2023	4,512	-	-	4,512
Impairment loss	1,215	-	-	1,215
At 31 December 2023	**5,727**	**-**	**-**	**5,727**
At 1 January 2022	7,316	-	-	7,316
Write back of impairment loss	(2,804)	**-**	**-**	(2,804)
At 31 December 2022	4,512	-	-	4,512

20. Refund assets and refund liabilities

	The Group		The Company	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	N' 000	N' 000	N' 000	N' 000
Refund assets	44,322	4,683	-	-
Refund liabilities				
- Arising from retrospective volume rebates	-	-	-	-
- Arising from rights of return	71,832	4,924	-	-
	71,832	**4,924**	**-**	**-**

Refund assets

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

Refund liabilities

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

21. Right of use assets

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

Right of use assets	Land and Building	Plant and Machinery	Total
	N' 000	N' 000	N' 000
At 1 January 2023	1,461,247	10,524	1,471,771
Additions	221,999	426,258	648,257
Depreciation expenses	(336,082)	(152,610)	(488,692)
Lease terminated	(62,714)	-	(62,714)
Lease Modification	171,333		171,333
	1,455,783	284,172	1,739,955
At 1 January 2022	581,080	136,814	717,894
Additions	1,235,479	-	1,235,479
Depreciation expenses	(355,312)	(126,290)	(481,602)
At 31 December 2022	**1,461,247**	**10,524**	**1,471,771**
			-

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Amounts recognised in profit or loss				
Depreciation of Right of use assets	488,692	481,602	-	-
Interest expense on lease liabilities	198,439	204,740	-	-
Expense relating to short term/low value leases	220,899	151,578	45,824	35,006
	908,030	**837,920**	**45,824**	**35,006**

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

	The Group		The Company	
	2023	2022	2023	2022
21. Lease Liability	N' 000	N' 000	N' 000	N' 000
At 1 January	1,358,947	612,636	-	-
Accretion interest	198,439	204,741	-	-
Additions during the year	448,257	988,969	-	-
Payment of principal	(459,271)	(447,399)	-	-
Lease Modification	31,370	-	-	-
Lease terminated	(60,246)	-	-	-
At 31 December	1,517,496	1,358,947	-	-
Current	373,409	789,007	-	-
Non-current	1,144,087	569,940	-	-
	1,517,496	1,358,947	-	-

The maturity analysis of lease liabilities are disclosed in Note 3.3

22. Inventories

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Raw materials and consumables	20,097,745	16,639,275	-	-
Technical stocks and spares	3,301,467	3,795,822	-	-
Finished goods and goods for resale	5,546,750	6,829,330	-	-
	28,945,962	27,264,427	-	-
Write down to net realisable value (Note 8)	(2,028,667)	(2,868,027)	-	-
	26,917,295	**24,396,400**	**-**	**-**

The cost of inventories recognised as an expense during the year in respect of continuing operation was N83 billion (2022: N81 billion).
The value of inventory written down which were recognised as expense during the period was N387 million (2022: N152million)
No inventory has been pledged as security (2022: Nil)

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

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Changes in inventory	(2,520,895)	11,817,125	-	3,602
Write off of inventories to net realisable value	(387,658)	(152,352)	-	-
Changes in inventory in the cashflow statement	**(2,908,553)**	**11,664,773**	**-**	**3,602**

23. Trade and other receivables

Receivables due within one year	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
Trade receivables	1,961,038	2,266,777	-	-
Less: allowance for impairment of trade receivables	(681,455)	(704,904)	-	-
Net trade receivables	**1,279,583**	**1,561,873**	**-**	**-**
Receivables from group companies - Note 35 c	-	-	1,687,421	1,198,449
Allowance for expected credit losses on intercompany receivables	-	-	(3,547)	(3,186)
Receivables from associates - Note 35b	27,740	109,322	11,350	109,230
Loan receivable from related parties	2,146,881	2,146,881	5,283,259	3,260,498
Allowance for expected credit losses on associates and related party receivables	(3,308)	(5,485)	(3,308)	(5,485)
Other financial asset	678,750	-	678,750	-
Allowance for expected credit losses on other financial asset	(678,750)	-	(678,750)	-
Non financial assets				
Other receivables	1,761,665	1,583,553	318,048	162,703
Advance payments	4,598,755	685,319	-	-
WHT receivable	593,795	607,857	356,493	421,167
Prepayments - staff grants	99,672	53,296	73,354	36,780
Prepayments- Other	2,433,777	2,097,767	51,470	30,209
	12,938,560	**8,840,383**	**7,774,540**	**5,210,365**

Trade receivables are non-interest bearing and are generally due for settlement within 30 days and therefore are all classified as current. They are amounts due from customers for goods sold or services performed in the ordinary course of business.

Other receivables relate to transactions such as advances to staff and VAT receivables. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Advance payments are mobilisation fees made to contractors for the supply of goods and services.

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

	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
Trade and other receivables - Current	10,791,678	6,693,502	2,491,281	1,949,867
Trade and other receivables - Non-current(a)	2,146,881	2,146,881	5,283,259	3,260,498
	12,938,559	**8,840,383**	**7,774,540**	**5,210,365**

(a) Trade and other receivables - non current relates to long term loan granted to subsidiaries and associates

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

	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
At 1 January	704,904	761,146	-	-
Expected credit loss allowance (Note 7ii)	82,447	116,263	-	-
Amount written off	(105,896)	(172,505)	-	-
At 31 December	**681,455**	**704,904**	**-**	**-**

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

	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
At 1 January	5,485	16,632	5,485	16,632
Impairment charge no longer required(Note 7ii)	(2,177)	(11,147)	(2,177)	(11,147)
At 31 December	**3,308**	**5,485**	**3,308**	**5,485**

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

	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
Changes in trade and other receivables	(4,098,177)	2,558,867	(2,564,175)	244,306
Withholding tax utilised during the period (Note 10)	(70,526)	(181,136)	(24,494)	(103,772)
Withholding tax on dividend income (Note 6(a))	5,218	925	78,277	83,839
Impairment loss on trade and other receivables	(182,097)	(167,311)	(135,191)	(46,032)
Impairment loss on other financial assets	(678,750)	-	(678,750)	-
Write back of impairment loss on other receivables (Note 6)	2,177	11,147	1,816	11,947
Amount receivable from deconsolidation of UNICO (Note 37)	-	57,285	-	-
Movement in cashflow statement	**(5,022,155)**	**2,279,777**	**(3,322,517)**	**190,288**

23.1 Finance lease receivables	The Group 2023 N' 000	The Group 2022 N' 000	The Company 2023 N' 000	The Company 2022 N' 000
Gross investment in lease	524,440	83,600	-	-
Unearned finance income	(70,428)	(72,628)	-	-
	454,012	10,972	-	-

	2023 N' 000	2022 N' 000	2023 N' 000	2022 N' 000
Current asset	443,640	600	-	-
Non-current asset	10,372	10,372	-	-
Total finance lease receivable	454,012	10,972	-	-

24. Cash and cash equivalents

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Cash at bank and in hand	7,745,838	2,315,714	3,651,510	115,322
Short-term deposits	17,526,088	13,881,974	12,191,454	4,843,003
Expected credit loss on short term deposit	(2,306)	(719)	(2,306)	(719)
Cash and cash equivalents	**25,269,620**	**16,196,969**	**15,840,658**	**4,957,606**

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 restricted cash of ₦5.3bn which represents unclaimed dividends received from the registrars as at 31 December 2023 (December 2022: ₦4.95bn).

The Finance Act 2020, which became effective on 1 January 2021, requires public limited liability companies quoted on the Nigerian Exchange to transfer any unclaimed dividend that has remained unclaimed for a period not less than 6 years to the Unclaimed Funds Trust Fund (the "Trust Fund"). However, the modality for complying with this requirement is yet to be communicated by the Debt Management Office.

(i) Reconciliation to statement of cash flow

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Cash and cash equivalents	25,269,620	16,196,969	15,840,658	4,957,606
Expected credit losses on short term deposits	2,306	719	2,306	719
Balances per statement of cash flow	**25,271,926**	**16,197,688**	**15,842,964**	**4,958,325**

25. Borrowings

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Current borrowings				
Loans due within one year	24,988,599	16,537,153	3,322,948	-
	24,988,599	**16,537,153**	**3,322,948**	**-**
Non-current borrowings				
Loans due after one year (i)	**2,460,021**	**2,467,290**	**-**	**-**
	2,460,021	**2,467,290**	**-**	**-**
Total borrowings	**27,448,620**	**19,004,443**	**3,322,948**	**-**
As at 1 January	19,004,443	19,911,612	-	
Repayment of borrowing during the year	(29,702,508)	(104,083,120)	(3,350,811)	(19,144,705)
(Initial fair value of government grant)/ Government grant no longer required	-	(488,570)	-	-
Exchange loss	292,276	-	-	-
Interest on loans	3,292,464	3,261,224	449,703	592,934
Interest paid	(2,271,746)	(2,185,137)	(146,621)	(592,934)
Additions	36,833,691	102,588,434	6,370,676	19,144,705
As at 31 December	**27,448,620**	**19,004,443**	**3,322,948**	**-**

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Within one year	24,988,599	16,537,153	3,322,948	-
Between one to five years	2,460,021	2,467,290	-	-
	27,448,620	**19,004,443**	**3,322,948**	**-**

(i) Loans due within one year

The Group

Bank	Effective Interest Rate	2023 N' 000	2022 N' 000	Maturity date	Security
First Bank of Nigeria Ltd	18.0%	2,513,218	9,835,225	Mar-24	No security
First Bank of Nigeria Ltd	18.0%	-	2,391,799	Dec-23	No security
Commercial paper loan(Series 3)	14.0%	2,777,626	-	Jan-24	No security
Commercial paper loan(Series 6)	13.5%	545,322	-	Mar-24	No security
First Bank of Nigeria Ltd - Commercial loan	18.0%	7,242,240	2,068,532	Dec-24	No security
Zenith bank - Commercial loan	18.5%	3,019,485	1,010,667	Oct-24	No security
Zenith bank - Produce loan	17.0%	8,850,878	-	Jan-24	No security
CBN CACS FUND-UBN	9.0%	-	495,820	Feb-23	No security
FSDH	8.5%+SOFR*	39,830	735,110	Mar-24	Negative pledge
		24,988,599	**16,537,153**		

The Company

Bank	Effective Interest Rate	2023 N' 000	2022 N' 000	Maturity date	Security
Commercial paper loan(Series 3)	14.0%	2,777,626	-	Jan-24	No security
Commercial paper loan(Series 6)	13.5%	545,322	-	Mar-24	No security
		3,322,948	**-**		

The above borrowings are denominated in Naira
**SOFR: Secured Overnight Financing Rate*

(ii) Loans due after one year

The Group

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	2023 N' 000	2022 N' 000	Maturity date	Security
Facility					
CBN DCRR - First Bank	9.0%	1,067,948	1,380,748	Dec-26	No Security
Famous Brands Limited**	12.0%	1,392,073	1,086,542	May-26	No Security
		2,460,021	**2,467,290**		

**The loan from Famous Brands Limited represents the company's portion of the shareholder loan that was disbursed to UACR. Famous Brands Limited, a South African QSR Franchisor, acquired 49% stake in UACR in 2013 making it a co-owner of UACR. The share of the loan provided by UAC of Nigeria PLC has been eliminated on consolidation.

The Company
The company had no long term borrowings as at 31 December 2023.

26. Deferred Tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:	The Group		The Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Deferred tax liabilities:				
– Deferred tax liability to be recovered after more than 12 months	2,907,273	2,708,129	624,641	315,251
– Deferred tax liability to be recovered within 12 months		-		-
Deferred tax liabilities	**2,907,273**	**2,708,129**	**624,641**	**315,251**
Net Deferred tax liabilities	**2,907,273**	**2,708,129**	**624,641**	**315,251**

The net movement on the deferred tax account is as follows:	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	2,708,129	4,649,022	315,251	455,987
(Charged)/credited to profit or loss	189,919	(1,933,655)	300,165	(133,498)
(Charged)/Credited to other comprehensive income (Note 17i)	9,225	(7,238)	9,225	(7,238)
At 31 December	**2,907,273**	**2,708,129**	**624,641**	**315,251**

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

The Group
Deferred tax assets

	Property, plant and equipment	Allowance for impairment on receivables	Tax losses	Leases	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	-	-	-	-	-	-	-	-
Reclassification to deferred tax liabilities	-	-	-	-	-	-	-	-
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 1 January 2022	-	-	-	-	-	-	-	-
(Credited)/charged to profit or loss	-	-	-	-	-	-	-	-
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Group has tax losses of ₦796,176,172 (2022: ₦611,585,458) that are available indefinitely for offsetting against future taxable profits of the Company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group

Deferred tax liabilities	Property, plant and equipment N'000	Allowance for impairment on receivables, equity instruments measured at FVOCI & Provisions N'000	Tax losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 1 January 2023	4,576,504	(702,504)	(1,722,282)	46,122	266,754	243,535	-	2,708,129
(Credited)/Charged to profit or loss	85,790	(378,127)	(335,927)	(11,563)	954,219	(124,473)		189,919
Charged to other comprehensive income (Note 17i)		9,225						9,225
At 31 December 2023	**4,662,294**	**(1,071,406)**	**(2,058,209)**	**34,559**	**1,220,973**	**119,062**	**-**	**2,907,273**
At 1 January 2022	4,833,361	(602,581)	(89,795)	49,195	111,774	347,068	-	4,649,022
(Credited)/Charged to profit or loss	(256,857)	(92,685)	(1,632,487)	(3,073)	154,980	(103,533)	-	(1,933,655)
Charged to other comprehensive income (Note 17i)	-	(7,238)	-	-	-	-	-	(7,238)
At 31 December 2022	**4,576,504**	**(702,504)**	**(1,722,282)**	**46,122**	**266,754**	**243,535**	**-**	**2,708,129**

The Company

Deferred tax (assets)/liabilities	Property, plant and equipment N'000	Allowance for impairment on receivables, equity instruments measured at FVOCI & N'000	Unutilised tax credits N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Capital Gains to be reinvested N'000	Total N'000
At 31 December 2022	180,563	(123,946)	(116,884)	-	131,981	243,537	-	315,251
(Credited)/Charged to profit or loss	(21,028)	(335,092)	(19,327)	-	800,086	(124,473)	-	300,165
Charged to other comprehensive income (Note 17i)	-	9,225	-	-	-	-	-	9,225
At 31 December 2023	**159,535**	**(449,813)**	**(136,211)**	**-**	**932,067**	**119,064**	**-**	**624,641**
Deferred tax liabilities	175,482	(55,795)	(75,177)	-	64,408	347,069	-	455,987
(Credited)/Charged to profit or loss	5,081	(60,913)	(41,707)	-	67,573	(103,532)	-	(133,498)
Charged to other comprehensive income (Note 17i)	-	(7,238)	-	-	-	-	-	(7,238)
At 31 December 2022	**180,563**	**(123,946)**	**(116,884)**	**-**	**131,981**	**243,537**	**-**	**315,251**

27. Trade and other payables

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Trade payables	5,534,816	6,479,598	-	-
Sundry payables	2,029,762	2,274,640	637,886	664,484
WHT payable	683,811	654,294	436,482	444,967
VAT payable	573,409	184,375	18,855	16,748
PAYE payable	94,410	37,314	13,884	25,975
Accruals	4,810,456	3,721,784	1,463,096	476,532
Total	**13,726,664**	**13,352,005**	**2,570,203**	**1,628,706**

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.
Sundry payables relates to payable balances due to non-trade vendors and suppliers of utilities, administrative
Accruals relates to accrued professional fees, accrued royalties, accrued consultants fees, accrued audit fees and other accrued expenses.

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

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
Movement in trade and other payables	374,659	2,004,521	941,497	189,830
Reclassification from/(to) property, plant and equipment	145,478	-	(298)	-
Reclassification from Intangible assets	-	-	350	
Reclassification of property sales proceeds	(250,000)	-	(250,000)	-
Statute barred unclaimed dividend written back	65,362	256,320	-	-
Movement in trade and other payable in cashflow statement	**335,499**	**2,260,841**	**691,550**	**189,830**

28. Government Grants

		The Group		The Company
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
At 1 January	224,219	**-**	**-**	**-**
Amount received during the year	-	488,569	-	-
Amortised to the statement of profit or loss	(88,418)	(264,350)	-	-
At 31 December	**135,801**	**224,219**	**-**	**-**
Current	73,748	92,167	-	-
Non-current	62,053	132,052	-	-
	135,801	224,219	-	-

Government grant represents the savings made by Grand Cereals Limited on interest paid on Federal government agriculture intervention fund (DCRR) facility obtained from Central Bank of Nigeria (2022: GCL:₦219mn; LSF:₦4.9mn). The facility was obtained at an interest rate of 5% but later increased to 9% in September 2022 as against prevailing commercial rate of 18%.

29. Contract liabilities

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
At 1 January	**2,311,875**	**2,425,294**	**50,635**	**95,562**
Released to the statement of profit or loss	(1,545,984)	(1,484,075)	(163,737)	(153,625)
Deferred during the year	1,440,210	1,370,656	313,227	108,698
At 31 December	**2,206,101**	**2,311,875**	**200,125**	**50,635**

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

30. Dividend payable

	The Group		The Company	
	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000
As at 1 January	5,451,070	5,193,036	4,813,878	4,692,259
Dividend declared	1,176,025	2,409,529	643,749	1,872,843
Dividend paid during the year to NCI	(532,276)	(520,159)	-	-
Scrip dividend issued during the year to NCI	-	(16,431)	-	-
Dividend paid during the year to equity holders of the parent company	(643,749)	(1,377,415)	(643,749)	(1,377,415)
Amount due to NCI on account of UFL merger (Note 16a)	24,202	-	-	-
Scrip dividend issued	-	(495,427)	-	(495,428)
Statute barred unclaimed dividend written back	(52,865)	(24,439)	-	-
Unclaimed dividend returned by registrar	346,299	282,377	249,856	121,620
At 31 December	**5,768,706**	**5,451,070**	**5,063,733**	**4,813,878**

31. Provisions

The Group	Provisions N'000	Legal claim N'000	Decommissioning liability N' 000	Total N' 000
At 1 January 2023	3,000	29,418	34,080	66,498
Unwinding of discount	-	-	5,954	5,954
Derecognised on payment (a)	-	(25,870)	-	(25,870)
At 31 December 2023	**3,000**	**3,548**	**40,034**	**46,582**
Current	3,000	3,548	-	6,548
Non-current	-	-	40,034	40,034
At 1 January 2022	3,000	89,948	16,643	109,591
Charge to profit or loss	-	114,877	12,391	127,268
Derecognised on payment (a)	-	(175,407)	-	(175,407)
At 31 December 2022	**3,000**	**29,418**	**34,080**	**66,498**
Current	3,000	29,418	-	32,418
Non-current	-	-	34,080	34,080

Decommissioning liability

UAC Restaurants has several leasehold properties converted to restaurants, which are required by agreements to be restored to original condition upon the expiration of the lease.
The provision for Decommissioning liability represents an estimate of the cost involved in restoring these leased properties at the expiration of the lease. The provision is an estimate based on management's re-assessment of the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rates and currency exchange rates amongst others were considered in this estimate.

The discount rate for the unwinding of the discount on liability was determined using the incremental borrowing rate for leases of 18% (2022: 18%). The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rates did not reflect risks for which future cash flow estimates have been adjusted.

Derecognition of provision

Derecognition of provision relates to settlement amount of ₦25.9 million paid by Grand Cereals Limited as settlement for a dispute (2022: GCL:₦89mn; UACN:₦86.4mn)

The Company	Legal claim 2023 N'000	2022 N'000
At 1 January	3,548	89,948
Derecognised on payment (b)	-	(86,400)
At 31 December	3,548	**3,548**
Current	**3,548**	**3,548**

(b) Derecognition of provision

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

Contingent liabilities

The Group is engaged in lawsuits that have arisen in the normal course of business. The estimated contingent liabilities arising from these pending litigation as at 31 December 2023 amounted to ₦2.96billion and ₦779million (2022:₦3.37billion and ₦539million) for the Group and Company respectively. The Group and Company have assessed these claims and believe that no material loss will arise from them. However, the amount of the ultimate liability, if any, cannot be determined with sufficient reliability. Accordingly, no additional provision has been recognised in the financial statements.

In addition, a company within the Group (Grand Cereals Limited) is currently involved in various ongoing reviews by tax and regulatory authorities in the normal course of business. The directors are of the view that no material loss is expected to arise from them.

32 Employee benefit

One of the entities within the Group (Grand Cereals Limited) sponsors a long service award scheme for qualifying employees. Employees are rewarded after a specific number of years in service. Employees are entitled to the awards after being in service for 10, 15, 20, 25, and 30 years.

Service Milestone (years)	% of gross annual salary	2023 Gift Benefit Value Cap (N')
10	10%	-
15	15%	50,000.00
20	20%	60,000.00
25	25%	80,000.00
30	30%	256,000.00

The most recent actuarial valuations of the present value of the long service award obligations were done as at 31 December 2023 by the firm of QED Actuaries Nigeria Limited (FRC Registration Number: FRC/2018/00000012293). This was signed by Actuary partner, H. Prinsloo (FRC Registration Number: FRC/2018/NAS/00000018473). The present value of the long service award obligation and the related current service cost were measured using the Projected Unit Credit method.

Amounts recognised in profit or loss in respect of these long service awards are as follows;

	The Group	
	2023	**2022**
	N' 000	**N' 000**
Service cost	6,131	6,857
Interest cost	9,625	9,041
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(16,278)	(2,232)
- Experience adjustments		2,442
	(522)	**16,108**

Movement in the present value of long service awards

	The Group	
	2023	**2022**
	N' 000	**N' 000**
Opening defined benefit obligation	68,122	72,296
Current service cost	6,131	6,857
Benefit paid	(7,989)	(20,282)
Interest cost	9,625	9,041
Actuarial (gains/losses)	(16,278)	210
	59,611	**68,122**

Actuarial assumptions

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

	Group	
	2023	**2022**
Key assumptions used:		
Discount rate	14.8%	13.1%
Future salary increase rate	6.0%	6.0%
Benefit/Gift rate	9.0%	9.0%
Net pre-retirement rate	8.3%	7.3%
Net pre-retirement rate (gift increase)	5.3%	4.3%

Demographic assumptions

The demographic assumptions regarding mortality are based on the rates on A67/70 tables published jointly by the Institute and Faculty of Actuaries.

Age	Mortality rate Males	Mortality rate Females
20	0.00089	0.00089
25	0.00069	0.00069
30	0.00065	0.00065
35	0.00086	0.00086
40	0.00144	0.00144
45	0.00264	0.00264
50	0.00479	0.00479
55	0.00844	0.00844
60	0.01443	0.01443

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant would have affected the long service award obligation by the amounts shown below.

		2023 N' 000	2022 N' 000
Base amount		**59,611**	**63,948**
Discount rate	+1%	56,830	64,649
	-1%	62,632	71,920
Future salary increase	+1%	62,807	71,159
	-1%	56,631	65,296
Mortality rate	+1%	59,428	67,902
	-1%	59,776	68,321

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

33. Share Capital

Company	**31 December 2023**	**2023**	**31 December 2022**	**2022**
	Number 000	**Amount N' 000**	**Number 000**	**Amount N' 000**
Authorised:				
Ordinary Shares of 50k each	2,926,132	1,461,065	2,926,132	1,463,065
Preference Shares of 50k each	-	-	-	-
Total authorised share capital	**2,926,132**	**1,461,065**	**2,926,132**	**1,463,065**
Issued and fully paid:				
Ordinary shares of 50k each	2,926,132	1,463,065	2,881,296	1,440,648
Scrip dividend shares*	-	-	44,836	22,417
Total called up share capital	**2,926,132**	**1,463,065**	**2,926,132**	**1,463,065**

	31 December 2023 Number 000	**Amount N' 000**	**31 December 2022 Number 000**	**Amount N' 000**
Ordinary Shares				
Opening balance	2,926,132	1,461,065	3,000,000	1,500,000
Cancellation of unissued shares	-	-	(73,868)	(36,935)
Closing balance	**2,926,132**	**1,461,065**	**2,926,132**	**1,463,065**
Preference shares				
Opening balance	-	-	400,000	200,000
Cancellation of unissued shares			(400,000)	(200,000)
Closing balance	**-**	**-**	**-**	**-**

Scrip dividend shares*

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

Nature and purpose of Other Reserves and related transactions

Share Premium

Section 145.2 of Companies and Allied Matters Act 2020 requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium. The Share premium is to be capitalised and issued as scrips as approved by shareholders from time to time.

Fair value reserve

The fair value reserve relates to the cumulative net change in the fair value of financial instruments at fair value through other comprehensive income until the assets are derecognised.

Other reserve

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

Equity settled share based payment reserve

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

The value creation plan ("VCP") was designed to incentivize employees to deliver exceptional returns for shareholders over a five-year period. The model is aimed at ensuring that UAC attracts, retains, and motivates talented employees with the mindset of owners and to align the interests of employees and shareholders with performance measured by the management team's ability to maximise shareholder value.
Under the VCP, Participants will receive, in the form of ordinary shares in the Company, a proportion of the value delivered for shareholders over a five year-period, provided that the Company delivers a minimum total shareholder return ("TSR") of 18% per annum. Should this return be delivered, an incentive pot equal to 10% of the value created will be distributed to Participants.

Measurement of fair value

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

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

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

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

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

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

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

Expense recognized in profit or loss

The 2023 expense recognized in profit or loss in relation to the LTIP is as shown in note 8(f(i)).

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

		Group		Company	
		2023	2022	2023	2022
	Note	N' 000	N' 000	N' 000	N' 000
Profit/(Loss) before tax from continuing operations		12,340,054	(4,365,316)	9,914,362	730,708
Profit before tax from discontinued operations		-	6,508	-	-
Adjustment for net finance cost/(income) (excluding exchange differences)		1,776,334	2,411,355	(958,780)	(277,828)
Operating profit/(loss)		**14,116,388**	**(1,947,453)**	**8,955,582**	**452,880**
Adjustments to reconcile operating profit/(loss) to net cash flows					
Amortisation of intangible assets	8	500,946	206,739	13,625	7,721
Dividend income	6	(52,185)	(9,250)	(782,767)	(838,386)
Depreciation charge on property, plant and equipment	8	2,960,274	2,496,127	155,354	159,996
Depreciation charge on right of use asset	8	488,692	481,602	-	-
Write off of inventories to net realisable value	8	387,658	152,352	-	-
Expected credit loss on debt securities	7ii	1,215	(2,804)	1,215	(2,804)
Writeback on related party receivables	7ii	(2,177)	(11,147)	(1,816)	(11,947)
Expected credit loss on trade receivables	7ii	82,447	116,263	-	-
Expected credit loss on other receivables	7ii	99,650	51,048	135,191	46,032
Expected credit loss on other financial assets	7ii	678,750	-	678,750	-
Expected credit loss/(Write back) on short term deposit	7ii	1,588	(149)	1,588	(149)
Impairment charge on property, plant and equipment	8a	20,000	-	-	-
Effects of exchange rate changes on debt securities	19	(2,036,008)	(113,911)	(2,036,008)	(113,911)
Effects of exchange rate changes on borrowings	25	292,276	-	-	-
Net fair value losses on investment properties	15	186,371	806,374	186,371	806,374
Profit on sale of investment properties	7i	(696,052)	(458,049)	(696,052)	(458,049)
Unwinding of government grant	7i	(88,418)	(264,350)	-	-
Share of (profit)/loss of associate	18.1	(859,603)	(103,444)	-	-
Loss on lease terminated	8	2,468	-	-	-
Gain on lease Modification	7i	(139,963)	-	-	-
Write-off of property, plant and equipment	7i	-	125,938	-	153
Long service award charge/(gain) during the year	32	(522)	16,108	-	-
Long service award paid	32	(7,989)	(20,282)		
Loss on liquidation of subsidiary		-	-	-	19,812
Profit on deconsolidation of subsidiary	37c	-	(32,337)	-	-
Loss on disposal of equity investment	7i	62,653	-	62,653	-
Share based expense	8(f)	243,939	243,939	243,939	243,939
Profit on sale of tangible PPE	7i	(7,114,667)	(15,459)	(6,999,525)	(2,335)
Write-off of intangible asset	7i	-	3,862	-	-
Profit on sale of non current asset held for sale	7i	(2,873)	-	-	-
Operating cash flows before movements in working capital		**9,124,858**	**1,721,718**	**(81,900)**	**309,325**
Movements in working capital:					
Changes in inventories	22(a)	(2,908,553)	11,664,773	-	-
Changes in trade and other receivables and prepayments	23	(5,022,155)	2,279,777	(3,322,517)	190,288
Changes in finance lease receivables		(443,040)	2,700	-	-
Changes in contract liabilities		(105,774)	(113,419)	149,490	(44,927)
Changes in trade and other payables	27(a)	335,499	2,260,841	691,550	189,830
Changes in liabilities held for sale/distribution		-	(20,910)	-	-
Net movement in provision		(19,916)	(48,139)	-	(86,400)
Changes in right of return asset		(39,639)	(1,356)	-	-
Changes in refund liability		66,908	1,234	-	-
Net cash used in operations - continuing operations		**988,188**	**17,747,219**	**(2,563,377)**	**558,116**
Net cash from operations - discontinued operations		-	-	-	**-**
Net cash generated from/(used in) operations		**988,188**	**17,747,219**	**(2,563,377)**	**558,116**

35. Related party transactions

Balances and transactions within the Group and its subsidiaries, which are related parties, have been eliminated on consolidation.

The Company

The company's related parties consist of companies in whom the Company has shareholding and similar interests (it's subsidiaries, associates & joint venture partners), the key management personnel of the Company and their close family members and all other entities that are directly or indirectly controlled by the Company.

The following transactions were carried out with the subsidiaries:

(a) Sales of goods and services

The Company has commercial service agreements with its subsidiaries and associates for support services. Income from commercial services fees (representing 0.75-1% of revenue of the subsidiaries) amounted to N924 million (2022: N782 million).

This has been included in the revenue of the Company.	**Company**	
	2023	**2022**
	N' 000	**N' 000**
Grand Cereals Limited	347,515	362,762
Chemical & Allied Products PLC	232,745	188,740
MDS Logistics Ltd	-	81,393
UAC Foods Ltd	164,710	-
Livestock Feeds PLC	179,355	149,239
	924,325	**782,134**

(b) Rental income

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

	Company	
	2023	**2022**
	N' 000	**N' 000**
UPDC Plc	13,115	12,007
UAC Restaurants Ltd	2,688	1,568
Grand Cereals Limited	1,600	1,600
UAC Foods Ltd	8,695	8,436
	26,098	**23,611**

(c) Period-end net balances arising from sales/purchases of goods/services with subsidiaries and associates	**Company**	
	2023	**2022**
Receivable/(Payable):	**N' 000**	**N' 000**
Subsidiaries		
Chemical & Allied Products PLC	234,334	310,277
Grand Cereals Limited	641,202	440,784
UAC Restaurants Limited	343,802	211,506
Livestock Feeds PLC	32,983	68,244
UAC Foods Ltd	405,890	167,638
UNICO Gratuity Fund	29,210	-
	1,687,421	1,198,449
Associates		
UPDC PLC	28,717	27,927
MDS Logistics Ltd	(17,367)	81,303
	11,350	109,230
	1,698,771	**1,307,679**

(d) Intercompany loan	**Company**	
	2023	**2022**
	N' 000	**N' 000**
UPDC PLC	2,146,881	2,146,881
Grand Cereals Limited	381	-
UAC Foods Ltd	1,920,379	-
UAC Restaurants Limited	1,215,617	1,113,617
	5,283,259	**3,260,498**

All trading balances will be settled in cash.

The expected credit loss relating to related party receivables as at 31 December 2023 was N3,308,320 (2022: N5,485,222) and the net credit to the profit or loss in respect of doubtful related party receivables was N2,176,901.

(e) Key Management Personnel

Total transactions with key management personnel amounted to N513mn during the year (2022:N604mn).

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

36. Capital commitments

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Capital expenditure authorised	-	-	-	-
Capital expenditure authorised & contracted	-	-	-	-

37a. Non-current assets held for sale/distribution

Manufacturing facility in paint segment

Following the approval by the Board of Directors in November 2019, part of a manufacturing facility within the Paints segment and investment property of the Packaged Food & Beverages segment was presented as non-current asset held for sale. In December 2023 assets worth N11,136,000 were sold and the carrying value of the asset following the sale is N530,713,707 (2022: N541,849,000). Despite the inability to complete the sale of the asset within 12 months, management is still committed to the disposal of the asset hence the continual classification as asset held for sale.

Group
Movement in non-current assets held for sale/distribution

	2023	2022
	N'000	N'000
Opening balance	541,850	545,994
Transfer (to)/from PPE	-	(4,144)
Cost of asset disposed	(11,136)	-
Closing balance	530,714	541,850

37b. Deconsolidation of UNICO CPFA Limited (UNICO)

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

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

	Group	Group
	2023	2022
	N'000	N'000
Property, plant and equipment	-	2,920
Deferred tax asset	-	945
Cash and cash equivalents	-	67,817
Trade and other payables	-	(21,184)
Net assets at deconsolidation	**-**	**50,498**

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

	UNICO	TOTAL	UNICO	TOTAL
	2023	2023	2022	2022
	N'000	N'000	N'000	N'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Selling and distribution expenses	-	-	-	-
Administrative expenses	-	-	(25,829)	(25,829)
Operating profit	**-**	**-**	**(25,829)**	**(25,829)**
Finance income	-	-	-	-
Finance cost	-	-	-	-
Loss before tax	**-**	**-**	**(25,829)**	**(25,829)**
Tax expense	-	-	-	-
Loss after tax	**-**	**-**	**(25,829)**	**(25,829)**
Gain on deconsolidation of UNICO	-	-	32,337	32,337
Loss from discontinued operations	**-**	**-**	**6,508**	**6,508**
Other Comprehensive income				
Net changes in fair value of financial assets	-	-	-	-
Total comprehensive (loss)/income for the year net of tax	**-**	**-**	**6,508**	**6,508**
Other Comprehensive income				-

Cashflows from discontinued operations:
The net cash flows incurred are, as follows:

	UNICO	TOTAL	UNICO	TOTAL
	2023	2023	2022	2022
	N'000	N'000	N'000	N'000
Operating	-	-	6,508	6,508
Investing	-	-	-	-
Financing	-	-	-	-
Net cash inflows/(outflows)	**-**	**-**	**6,508**	**6,508**

38. Disclosure of Interests in Other Entities

38.1 Composition of the Group

UAC of Nigeria PLC is a holding company with interests in six primary verticals - Animal Feeds & Other Edibles (2 entities), Packaged Food & Beverages (1 entity), Quick Service Restaurants (1 entity), Real Estate (1 entity), Paints (1 entity) and Logistics (1 entity). The Group comprises of a corporate centre (the Company) holding interests in 7 entities.

38.2 Subsidiaries with material non-controlling interests

(a) Chemical and Allied Products PLC (CAP) – Chemical and Allied Products PLC is a company involved in the manufacture and sale of paints. The company's principal place of business is Lagos State, Nigeria. The non controlling interests are 16,611 shareholders who hold a 42.15% (in aggregate) stake in the company. The profit allocated to NCI for the year ended 31 December 2023 was ₦1.1billion (2022: ₦1billion) and dividends paid to NCI in 2023 was ₦532million (2022: ₦428million). As at 31 December 2023, the accumulated NCI in the subsidiary was ₦2.9billion (2022: ₦2.4billion).

(b) Grand Cereals Limited (GCL) – Grand Cereals Limited is a company involved in the manufacturing and sale of animal, poultry and fish feeds, edible oils and its by-products, maize grits and ready-to-eat breakfast cereals. The company's principal place of business is Plateau State, Nigeria. The non controlling interests hold 28.57% (in aggregate) in the company. The loss allocated to NCI for the year ended 31 December 2023 was ₦649 million (2022: ₦1.3 billion) and no dividends was paid to NCI in 2023 (2022: ₦109million). As at 31 December 2023, the accumulated NCI in the subsidiary was ₦594 million (2022: ₦1.2billion).

(c) Livestock Feeds PLC (LSF) – Livestock Fees PLC is a company involved in the manufacturing and sale of animal feeds and concentrates. The company's principal place of business is Lagos State, Nigeria. The non controlling interests are 19,821 shareholders who hold a 26.71% (in aggregate) stake in the company. The loss allocated to NCI for the year ended 31 December 2023 was ₦61million (2022: ₦220million) and no dividend was paid (2022: Nil). As at 31 December 2023, the accumulated NCI in the subsidiary was ₦26million (2022: ₦88million).

(d) UAC Restaurants Limited (UACR) – UAC Restaurants Limited is a quick service restaurant company that operates through the Mr Biggs' and Debonairs Pizza chain of restaurants. The company's principal place of business is Lagos State, Nigeria. In 2013, UAC divested 49% of its 100% stake in the company to Famous Brands, thereby retaining 51%. Famous Brands held a 49% stake in the company as at 31 December 2023. The loss allocated to Non-Controlling Interest (NCI) for the year 2023 is ₦621million (2021: Loss of ₦406million) and no dividend was paid. As at 31 December 2023, the accumulated NCI in the subsidiary was a net loss of ₦1.1 billion (2022: net loss of ₦483 million).

Summarised financial information 31-Dec-23	CAP N'000	GCL N'000	LSF N'000	UACR N'000
Non-current assets	2,335,656	10,839,842	1,348,448	1,746,952
Current assets	13,036,739	14,397,494	12,028,018	949,800
Current liabilities	6,907,052	15,619,909	11,926,226	1,540,512
Non-current liabilities	495,636	1,211,793	-	3,409,081
Revenue	23,890,279	46,532,273	20,409,702	3,715,257
Profit/(Loss) before tax	3,778,928	(2,325,538)	(126,759)	(1,247,183)
Total comprehensive income/(loss)	2,514,737	(2,272,190)	(230,018)	(1,266,715)

31-Dec-22	CAP N'000	GCL N'000	LSF N'000	UACR N'000
Non-current assets	2,139,892	11,175,848	1,102,636	2,222,107
Current assets	11,266,313	18,337,577	6,355,069	904,059
Current liabilities	6,470,056	16,532,258	5,777,448	1,197,893
Non-current liabilities	336,547	2,303,344	-	2,914,399
Revenue	19,208,470	49,529,212	16,410,221	3,075,255
Profit/(Loss) before tax	3,444,212	(6,081,408)	(781,393)	(813,723)
Total comprehensive income/(loss)	2,376,209	(4,546,994)	(822,219)	(829,578)

39. Events after the reporting period

The Central Bank of Nigeria (CBN) communicated through a press release operational changes to the foreign exchange market. This resulted in the devaluation of the naira exchange rate. In addition to the devaluation, the CBN collapsed all its official FX rates into the investors and Exports (I&E) window.

The announced unification would have future impact in the Group's foreign denominated assets and liabilities and as such would have an impact on the future results and financial position of the Group. However, at the date of issuing these financial statements, the Group could not make a reliable estimate of the quantitative impact as the future rates are unpredictable.

Other than the above, there are no events occurring after the reporting period that could have a material effect on the state of affairs of the Group as at 31 December 2023 which have not been adequately provided for or disclosed in these financial statements.

40. Fair Value Measurements

Fair value of investment property

An independent valuation of the group's investment property was performed by valuers to determine the fair value of investment properties as at 31 December 2023. The gain on fair valuation was credited to profit or loss and is shown in "other operating income/loss" (Note 6). The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The valuation of investment property results in a level 3 fair value.

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used to derive level 3 fair values

Investment Property

Level 3 fair values for investment property has been derived using the open market value. To obtain the open market value, the following were considered, a willing buyer, a willing seller, the property is freely exposed to the market, a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market.The open market value methodology falls within the "market approach" as stipulated by IFRS 13.

Fair value measurements as at 31 December 2023 using:

all figures in N'000 unless otherwise stated	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements	N'000	N'000	N'000
Investment Property			
UACN Company	-	-	1,190,629
Group			**1,190,629**

Fair value of investment property (continued)

all figures in N'000 unless otherwise stated	Fair value measurements as at 31 December 2023 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements	**N'000**	**N'000**	**N'000**
Investment Property			
UAC Company	-	-	1,190,629
Group			**1,190,629**

Reconciliation of level 3 fair values

	2023 Investment Property (Group) N'000	Investment Property (Company) N'000
Opening balance	2,435,360	2,435,360
Disposals	(1,058,360)	(1,058,360)
Net loss from fair value adjustment on investment property	(186,371)	(186,371)
Closing Balance	1,190,629	1,190,629

Reconciliation of level 3 fair values

	2022 Investment Property (Group) N'000	Investment Property (Company) N'000
Opening balance	3,470,685	3,470,685
Disposals	(228,951)	(228,951)
Net loss from fair value adjustment on investment property	(806,374)	(806,374)
Closing Balance	2,435,360	2,435,360

Valuation process for the group

On an annual basis, the group engages external, qualified valuers to determine the fair value of the group's investment properties, using level 3 inputs. The firm of Diya Fatimilehin & Co. (FRC/2023/COY/098756) carried out the valuation exercise of investment properties as at 31 December 2023 (2022: Robert Offor & Co (FRC/2015/00000010621)). The valuation report for 2023 was signed by the firm's managing partner Fatimilehin Adegboyega (FRC/2013/NIESV/00000000754) (2022: Mr. Robert Offor (FRC/2015/NIESV/00000010621).

The external valuations of the level 3 investment properties have been performed using the Open Market Approach. The external valuers have determined these inputs based on the size, age, condition of the land and buildings, willing buyer, willing seller, the state of the local economy and a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2023	Fair value as at 31 December 2022	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment Property - UAC Company	1,190,629	2,435,360	Fair Market Value Approach	The price range used per square metre are N6,004 - N205,126 (N2,108 - N67,415,730) which was determined by demand and availability of property of that quality in that location	The higher the estimated price per square meter, the higher the value

Other National Disclosures

UAC of Nigeria PLC

Shareholding Structure/Free Float Status

Company Name:	**UAC of Nigeria Plc**			
Board Listed:	Main Board			
Year End:	**31-Dec**			
Reporting Period:	**31-Dec-23**			
	31-Dec-23		**31-Dec-22**	
Share Price at end of reporting period:	12.85		10.25	
Description	**Units**	**Percentage**	**Units**	**Percentage**
Issued Share Capital	2,926,131,655	100%	2,926,131,655	100%
Substantial Shareholdings (5% and above)				
Themis Capital Management	586,289,403	20.04%	586,289,403	20.04%
Dalio Property Development Limited	172,693,669	5.90%	172,693,669	5.90%
Fund, LP - Main NTC Kuroto	-	0.00%	147,246,159	0.05
Total Substantial Shareholdings	**758,983,072**	**25.94%**	**906,229,231**	**30.97%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Daniel Agbor (Indirect)	35,000,000	1.20%	35,000,000	1.20%
Mr. Folasope Aiyesimoju (Direct)	46,999,122	1.61%	46,999,122	1.61%
Mr. Folasope Aiyesimoju (Indirect)			-	0.00%
Mr. Folasope Aiyesimoju (Indirect - representing AM&P Advisory services)	70,780,314	2.42%	70,780,314	2.42%
Mr. Folasope Aiyesimoju (Indirect - representing Themis Capital Management)			-	-
Dr. Vitus Ezinwa (Direct) (b)	-	NLD	1,563,800	0.05%
Mrs. Babafunke Ijaiya-Oladipo (Direct)	250,326	0.01%	250,326	0.01%
Mr. Adebolanle Badejo (c)	-	-		
Mr. Babatunde Kasali (Direct) (a)	-	-	10,000	0.00%
Mr. Khalifa Biobaku (Indirect - representing Dalio Property Development Limited)	-	-	-	-
Mrs. Suzanne Iroche	-	-	-	-
Mr. Bolaji Odunsi	-	-	-	-
Mr. Karl Toriola	-	-	-	-
Total Directors' Shareholdings	**153,029,762**	**5.23%**	**154,603,562**	**5.28%**
Other Influential Shareholdings				
Fund, LP - Main NTC Kuroto	145,900,431	4.99%		
Cardinalstone Account CPM	124,666,284	4.26%	105,353,794	3.60%
UBA nominees Ltd - Trading	84,814,811	2.90%	-	-
ZPC/SIPML RSA Fund II - Trading A/C	75,173,062	2.57%	-	-
FPCNL/NPF Fund II - Trading A/C	80,000,000	2.73%	-	-
UBA Nominee/Tangerine Life Insurance Investment	55,783,885	1.91%	95,783,885	3.27%
Total Other Influential Shareholdings	**566,338,473**	**19.35%**	**201,137,679**	**6.87%**
Free Float in Units and Percentage	1,447,780,348	49.48%	1,664,161,183	56.87%
Free Float in Value	₦ 18,603,977,471.80		₦ 17,057,652,125.75	
Declaration:				
UAC of Nigeria PLC with a free float percentage of 49.48% as at 31 December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

NLD - "No longer a director"

(a) Mr. Babatunde Kasali retired from the Board with effect from 21 June 2023
(b) Dr. Vitus Ezinwa resigned from the board of UAC effective 27 July 2023.
(c) Mr. Adebolanle Badejo was appointed as an Executive Director of the company effective 28 July 2023

UAC of Nigeria PLC

Other national disclosures

Statement of Value Added
For the year ended 31 December 2023

	Group				Company			
	2023		2022		2023		2022	
	=N=Million	%	=N=Million	%	=N=Million	%	=N=Million	%
Turnover	120,528		109,270		1,142		1,009	
Share of associated companies' profits	860		103		-		-	
Dividend income	52		9		783		838	
Interest received & other income	14,764		2,191		12,144		1,822	
Cost of materials and services:								
Imported	(9,394)		(14,142)		(202)		(78)	
Local	(95,713)		(83,079)		(1,816)		(669)	
Value Added	**31,097**	**100**	**14,352**	**100**	**12,051**	**100**	**2,922**	**100**
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	11,630	37	11,059	77	1,451	12	1,369	47
To pay government								
Taxes	3,076	10	(823)	(6)	1,375	11	49	2
To pay providers of capital								
Interest charges	3,533	11	3,533	25	517	4	655	22
To pay shareholders								
Dividend	644	2	1,873	13	644	5	1,873	64
Retained for replacement of assets and business growth:								
Depreciation and Amortisation	3,950	13	2,703	19	169	1	168	6
Non-controlling interest	(279)	(1)	(914)	(6)	-	-	-	
To (deplete)/augment reserves	8,544	27	(3,079)	(21)	7,896	66	(1,191)	(41)
	31,097	**100**	**14,352**	**100**	**12,051**	**100**	**2,922**	**100**

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

Other national disclosures

Group five-year financial summary
Year ended 31 December 2023

Naira millions	2019	2020	2021	2022	2023
Funds Employed					
Equity attributable to equity holders of the Company	49,521	52,006	45,981	41,964	50,747
Non-controlling interest	10,412	8,670	4,857	3,317	2,434
Creditors due after one year	6,522	6,775	5,349	5,980	6,673
Provisions	96	192	93	32	7
	66,551	**67,643**	**56,280**	**51,292**	**59,861**
Employment of funds					
Property, plant and equipment, Intangible assets, Investment Property and Other non -current assets	18,920	21,012	22,224	25,043	26,211
Long term investments	2,021	15,381	11,238	11,259	13,851
Net current (liabilities) / assets	18,720	26,221	13,650	4,724	10,976
	39,661	**62,614**	**47,112**	**41,027**	**51,038**
Capital expenditure	**2,710**	**4,496**	**3,466**	**5,981**	**4,583**
Depreciation	**1,926**	**2,074**	**2,172**	**2,703**	**3,950**

Results					
	2019	**2020**	**2021**	**2022**	**2023**
		Restated			
Turnover	79,202	81,358	101,377	109,270	120,528
Profit from operations	5,666	3,597	5,014	(2,384)	9,093
Share of profit of associated companies	-	973	(894)	103	860
Taxation	(2,111)	(1,440)	(1,440)	823	(3,076)
Profit/ (loss) after tax	(5,308)	2,587	2,587	(3,993)	8,908
Profit/ (loss) for the year retained	(7,152)	2,363	(1,651)	(3,081)	8,544
Share prices : High (kobo)	960	1,105	1,145	1,450	1,800
Low (kobo)	450	540	710	840	790
Earnings per share (kobo)	(183)	62	62	(107)	314
Earnings per share (kobo) - adjusted	(183)	62	62	(107)	314
Net assets per share (kobo)	2,080	2,106	1,764	1,547	1,817

Other national disclosures

Company five-year financial summary
Year ended 31 December 2023

Naira millions	2019	2020	2021	2022	2023
Funds Employed					
Equity attributable to equity holders of the Company	39,337	36,680	31,805	31,287	39,166
Creditors due after one year	25	455	456	315	625
Provisions	90	90	90	4	4
	39,452	**37,225**	**32,351**	**31,605**	**39,795**
Employment of funds					
Property, plant and equipment	699	888	933	864	803
Long term investments	14,564	14,616	18,536	19,037	19,128
Net current (liabilities) / assets	16,182	7,863	(2,254)	(2,111)	3,737
	31,445	**23,367**	**17,215**	**17,789**	**23,668**
Capital expenditure	**177**	**215**	**160**	**160**	**221**
Depreciation	**146**	**136**	**136**	**160**	**155**

Results					
	2019	**2020**	**2021**	**2022**	**2023**
		Restated			
Turnover	759	758	1,009	1,009	1,142
Profit from operations	(667)	(3,497)	442	442	6,537
Taxation	(490)	(49)	(49)	(49)	(1,375)
Profit after tax	1,484	682	682	682	8,539
Dividend - proposed	(288)	(3,457)	(1,873)	(644)	(644)
Profit for the year retained	(360)	(1,113)	(1,113)	(1,191)	8,539
Share prices : High (kobo)	960	1,105	1,145	1,450	1,800
Low (kobo)	450	540	840	840	790
Market capitalisation (period-end)	24,779	20,889	27,372	29,993	37,601
Dividend per share (kobo)	10	120	65	22	22
Dividend per share (kobo) - adjusted	10	120	65	22	22
Earnings per share (kobo)	52	24	24	24	295
Earnings per share (kobo) - adjusted	52	24	24	24	295
Net assets per share (kobo)	1,365	1,273	1,086	1,069	1,339
Dividend cover (times)	5.2	0.2	0.4	1.1	13.4