



UAC of Nigeria PLC
Consolidated and Separate Financial Statements for the year
ended 31 December 2024

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Consolidated and separate financial statements
for the year ended 31 December 2024

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Corporate Information

Board of Directors

Mr. Khalifa Adebayo Biobaku	Non-Executive Chairman (Appointed as chairman with effect from 5 February 2025)
Mr. Daniel Owor Agbor	Non-Executive Chairman (Resigned effective 7 February 2025)
Mr. Folasope Babasola Aiyesimoju	Group Managing Director
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director
Mr. Adebolanle Oluwademilade Badejo	Group Investment Director
Mr. Bolaji Adekunle Odunsi	Independent Non-Executive Director
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director
Mr. Karl Olutokun Toriola	Independent Non-Executive Director
Ms. Obi Noora James	Independent Non-Executive Director (Appointed with effect from 1 March 2025)
Mrs. Amina Muhtar	Independent Non-Executive Director (Appointed with effect from 1 March 2025)

Company Secretary/Group General Counsel

Ms. Ayomipo Wey
[Email: info@uacnplc.com](mailto:info@uacnplc.com)

Registered Office

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

Company Website

www.uacnplc.com

Bankers

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

Independent Auditor

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

The Registrar

Africa Prudential PLC
220B Ikorodu Road,
Palmgrove,
Lagos
Phone: 0700 AFRIPUD or 0700 237 47783
[Email: cxc@aficaprudential.com](mailto:cxc@aficaprudential.com)

Tax Identification Number (TIN)

01767079-0001

UAC of Nigeria PLC

Investor Relations Statement

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

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Financial Highlights to the Audited Consolidated and Separate Financial Statements

	Group			Company		
	2024	2023	%	2024	2023	%
	N'000	N'000	change	N'000	N'000	change
Revenue	196,900,638	120,528,463	63	2,030,349	1,142,234	78
Operating Profit	18,865,457	9,092,633	107	1,601,000	6,537,233	(76)
Net finance income	5,959,223	2,387,818	150	7,700,729	3,377,129	128
Profit before minimum tax	25,547,275	12,340,054	107	9,301,729	9,914,362	(6)
Minimum tax	(400,427)	(356,275)	12	(76,347)	-	-
Income tax expense	(8,836,220)	(3,075,665)	187	(2,645,363)	(1,374,991)	92
Profit for the year	16,310,628	8,908,114	83	6,580,019	8,539,371	(23)
Total equity	66,410,002	53,181,592	25	43,154,419	39,166,370	10
Total equity and liabilities	157,725,799	112,345,471	40	61,390,674	54,385,890	13
Cash and cash equivalents	40,594,214	25,269,620	61	21,788,776	15,840,658	38
Earnings per share (kobo) - Basic	497	314	58	225	295	(24)
Dividend per share (kobo) - Actual/Proposed	22	22	0	22	22	0
NGX quotation as at December 31 (kobo)	3,150	1,285	145	3,150	1,285	145
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)	92,173,147	37,600,792	145	92,173,147	37,600,792	145

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Directors' Report

The Directors have the pleasure of presenting the annual report for the year ended 31st December 2024, 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	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Profit/(loss) for the year	16,310,629	8,908,114	6,580,019	8,539,371

Dividend

The Directors are pleased to have recommended to shareholders the payment of an ordinary dividend of 22 Kobo (2023: 22 Kobo) per ordinary share to members representing N644mn in cash distribution.

Cash dividend (net of withholding tax) will be paid on 5 June 2025 to shareholders whose names appear in the Company's Register of Members as at the close of business on 21 May 2025. 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 (the "Report") provides details on the Company's governance structures, policies, and practices, along with an analysis of environmental and social risks and opportunities. The Company's corporate governance framework is aligned with its Memorandum and Articles of Association, as well as relevant statutory provisions, including amendments over time. These provisions include the Companies and Allied Matters Act No. 3 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 (2018) (the "Code"), 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 outline that the Board of Directors is responsible for overseeing and managing the Company's operations and exercising any rights not specifically reserved for the general meetings of the Company as required by law or the Articles of Association.

As of 31 December 2024, the Company's Board of Directors (the "Board") consisted of eight (8) members: five (5) Non-Executive Directors and three (3) Executive Directors.

During the period under review, the Board was chaired by a Non-Executive Chairman, separate from the Group Managing Director ("GMD"). The GMD leads the Company's management team in alignment with the Board's directives. The members of the Board and their classification during the period under review are as follows:

Mr. Daniel Owor Agbor	Non-Executive Chairman
Mr. Khalifa Adebayo Biobaku	Non-Executive Vice Chairman
Mr. Folasope Babasola Aiyesimoju	Group Managing Director
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director
Mr. Adebolanle Oluwademilade Badejo	Group Investment Director
Mr. Bolaji Adegunle Odunsi	Independent Non-Executive Director
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director
Mr. Karl Olutokun Toriola	Independent Non-Executive Director

Changes to the Board

Post the review period, the following changes were made to the membership of the Board:

- Mr. Khalifa Biobaku was appointed as Chairman of the Board, with effect from 5th of February 2025;
- Mr. Daniel Agbor exited the Board, with effect from 7th February 2025;
- Ms. Obi James was appointed to the Board as an Independent Non-Executive Director, with effect from 1st of March 2025;
- Mrs. Amina Muhtar was appointed to the Board as an Independent Non-Executive Director, with effect from 1st of March 2025; and
- Mr. Bolaji Odunsi will retire from the Board with effect from 31st of March 2025.

Following the above, the following persons are the current members of the Board:

Mr. Khalifa Adebayo Biobaku	Non-Executive Chairman
Mr. Folasope Babasola Aiyesimoju	Group Managing Director
Mrs. Babafunke Adesua Ijaiya-Oladipo	Group Finance Director
Mr. Adebolanle Oluwademilade Badejo	Group Investment Director
Mrs. Suzanne Olufunke Iroche	Independent Non-Executive Director
Mr. Karl Olutokun Toriola	Independent Non-Executive Director
Ms. Obi Noora James	Independent Non-Executive Director
Mrs. Amina Muhtar	Independent Non-Executive Director

The appointments of Ms. James and Mrs. Muhtar will be presented before the Annual General Meeting (AGM) for approval, and their biographical details are contained in the Annual Report and on the Company's website (www.uacnplc.com).

Every Director has 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:

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

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Alternate Directorship

There was no alternate directorship during the year under review

Directors' Remuneration

In accordance with Principle 16.8 of the Code, the Company is committed to transparency and accountability by disclosing the remuneration paid to its directors. The breakdown of the remuneration paid to each Director is as follows:

Package	Description	Period
Basic Salary	This is part of the gross salary package for Executive Directors	Paid monthly during the financial year
Director's fee	This is paid annually to Non-Executive Directors only	Paid in two tranches during the year
Sitting Allowance	This is paid to Non-Executive Directors only	Paid after attendance at each meeting
Travel Allowances	This is paid to Non-Executive Directors	Paid in the first month of the year

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

The process of 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 Chairperson 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 section 285 of 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, 2024. As permitted by relevant laws, the evaluation for the 2024 financial year was conducted by Deloitte & Touche Nigeria ("Consultant").

Upon completion of the evaluation exercise, the Consultant opined that the Board and Corporate Governance framework and practices in UACN substantially comply with the provisions of the Nigerian Code of Corporate Governance. The Consultants highlighted certain observations and some recommendations for the Board and Executive Management's action for sustained improvement to the performance of the Board and Corporate Governance framework at UACN.

Retirement by rotation and Re-Election of Directors

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 Mrs. Suzanne Iroche and Mr. Karl Toriola, and being eligible, offer themselves for re-election. The biographical information of Mrs. Suzanne Iroche and Mr. Karl Toriola are contained in the Annual Report and on the Company's website (www.uacnplc.com).

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Board meetings

The Board met six (6) times during the 2024 financial year. The following table shows the attendance of Directors at the Board Meetings:

Attendance of Directors at 2024 Board Meetings

Directors	28/3/2024	29/4/ 2024	20/6/2024	29/7/2024	29/10/2024	9/12/2024
Mr. Dan Agbor	P	P	P	P	P	P
Mr. Folasope Aiyesimoju	P	P	P	P	P	P
Mrs. Funke Ijaiya-Oladipo	P	P	P	P	P	P
Mr. Adebolanle Badejo	P	P	P	P	P	P
Mr. Bolaji Odunsi	P	P	P	AWA	P	P
Mrs. Suzanne Iroche	P	P	P	P	P	P
Mr. Karl Toriola	AWA	P	P	AWA	P	P
Mr. Khalifa Biobaku	P	P	P	P	P	P

Keys:

P – Present

AWA - Absent with apology

Composition of Board Committees

In the 2024 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, 2024, 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.

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The Committee met four (4) times during the 2024 financial year. The following table shows the attendance of members

Directors	25/3/2024	24/4/2024	24/7/2024	24/10/2024
Mr Bolaji Odunsi	P	P	AWA	P
Mr Folasope Aiyesimoju	P	P	P	P
Mr Khalifa Biobaku	P	P	P	P

Keys:

P – Present

AWA – Absent With Apology

2. The Governance and Remuneration Committee

As of December 31, 2024, 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:

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

Committee Meetings

The Governance and Remuneration Committee met four (4) times during the 2024 financial year. The following table shows the attendance of committee members at the meetings.

Directors	27/3/2024	26/7/2024	28/10/2024	2/12/2024
Mr Suzanne Iroche	P	P	P	P
Mr. Khalifa Biobaku	P	P	P	P
Mr Kari Toriola	AWA	P	P	P

Key: -

P – Present

AWA – Absent With Apology

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). All meetings of the Committee were attended by the Group Internal Auditor while some were attended by our Independent External Auditors. The Committee operates within the provisions of CAMA; SCGG; the Code; and the Company's Audit Committee Charter.

The Statutory Audit Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

Members	26/3/2024	26/4/2024	25/7/2024	25/10/2024
Mr Olabisi Fayombo	P	P	P	P
Mr Matthew Akinlade	P	AWA	P	P
Mr Kenneth Nwosu Nnabike	P	P	P	P
Mr Bolaji Odunsi	P	P	AWA	P
Mr Khalifa Biobaku	P	P	P	P

Keys:

P – Present

AWA – Absent With Apology

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) Assessing the qualifications and independence of the Independent Auditor, and the performance of the Company's internal audit function as well as that of the Independent Auditor;
- i) Ensuring the establishment of, and exercise oversight over, the internal audit function which provides assurance on the effectiveness of the internal controls;
- j) 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;
- k) Overseeing the process for the identification of fraud across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- l) 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;
- m) Maintaining oversight of financial and non-financial reporting;
- n) 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;
- o) 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;
- p) Preserving auditor independence, by approving clear hiring policies for employees or former employees of external auditors; and
- q) 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 2024 financial year to, among others, ensure its applicability to Directors of the Company. The Company has a Management Risk Committee that ensures risk is proactively and holistically managed and also makes recommendations to the Board Risk Management Committee on risk and control-related matters.

The Company retains the 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 2024 financial year. To keep abreast with developments, the Company reviewed its Securities Trading Policy in 2024.

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. To refresh same, the Shareholders' Complaints Management Policy was reviewed in 2024 and same 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	9 years 3 months*
Mr. Folasope Aiyesimaju	Group Managing Director	7 years
Mrs. Babafunke Ijaiya-Oladipo	Group Finance Director	3 years 8 months
Mr. Adebolanle Badejo	Group Investment Director	1 year 8 months
Mr. Bolaji Odunsi	Independent Non-Executive Director	6 years 5 months**
Mr. Khalifa Biobaku	Non-Executive Director	3 years
Mrs. Suzanne Iroche	Independent Non-Executive Director	5 years 7 months
Mr. Karl Toriola	Independent Non-Executive Director	5 years 3 months
Ms. Obi James	Independent Non-Executive Director	1 month ***
Mrs. Amina Muhtar	Independent Non-Executive Director	1 month ***

* Exited the Board with effect from 7 February 2025

** To retire from the Board with effect from 31 March 2025

*** Appointed to the Board with effect from 1 March 2025

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Consultants and Professional Advisers

Name	Services	Tenure
KPMG Professional Services	External Auditor	3 years 9 months (appointed 2021)
KPMG Professional Services	Whistle Blowing Ethics Lines	9 years 3 months (appointed 2015)
Deloitte and Touche	Tax Advisory and Consultancy	5 years 1 months (appointed 2020)
Deloitte and Touche	Board and Corporate Governance Consultancy	5 months (appointed 2024)

Directors' Interest in Shares

Name	Thursday, March 28, 2024		Friday, March 28, 2025	
	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Folasope Aiyesimoju	46,999,122	657,069,717	59,941,884	657,069,717
Mrs. Babafunke Ijaiya-Oladipo	250,326	Nil	6,693,933	Nil
Mr. Adebolanle Badejo	Nil	Nil	6,643,607	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
Ms. Obi James	N/A	N/A	Nil	Nil
Mrs. Amina Muhtar	N/A	N/A	Nil	Nil

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 172.7 million units of shares.

Directors' Interest in Contracts

Until his retirement from the law firm of Udo Udoma and Belo-Osagie ("UUBO") in January 2025, Mr. Daniel Agbor served as the Senior Partner of UUBO which renders legal services to the Company from time to time.

Acquisition of own shares

The shares of the Company are held in accordance with the Articles of Association of the Company. During the year under review, the Company did not purchase its own shares.

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

The Directors and employees of UACN and its subsidiary companies have committed to adhere to the provisions of the Company's Code of Business Conduct. This commitment is reaffirmed annually and is an ongoing practice.

The highlights of our human resource policies and internal management structure, including relations with employees, and other workplace development initiatives will be included in this Annual Report.

This Annual Report highlights our sustainability policies and programs addressing social issues such as corruption, community service, and environmental protection. Additionally, it will highlight initiatives related to environmental, social, and governance matters.

Claw Back Provisions

In line with Section 16.9 of the Code, Executive Directors' contracts contain claw back provisions.

Regulatory Sanctions and Penalties

UAC of Nigeria PLC did not incur any penalties from any regulatory authority during the 2024 financial year, 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 ₦20.9million (2023: ₦16.3million) for the Group and ₦3million (2023: ₦3.2million) for the Company.

Donations made during the year are listed below:

Company	Description of Donations	State	Amount N'000
UACN	The provision of academic books for 120 students fostering literacy and educational growth in communities	Lagos state	2,995
Chemical and Allied Products PLC	Paint donations, Remedial & Labour costs at Govt Girls Secondary School, Dutse, Abuja FCT (Multipurpose Hall and 3 Blocks of Classrooms)	Abuja	5,818
	Paint donations, Remedial and Labour costs at Ibeju Lekki High School, Lagos (2 Blocks of Classrooms, Admin Office and Gate reception)	Lagos state	1,847
	Paint donations and Labour costs at St Paul Anglican Primary School Epe, Lagos (2 Blocks of Classrooms)	Lagos state	1,570
	Paint donations at Nigeria Immigration, Alagbon, Lagos	Lagos state	462
Livestock Feeds PLC	Paint donation to ICAN - Ibadan district	Oyo state	627
	Construction of Henry Carr Gate House	Lagos state	1,956
	Donation of Eggs to Orile Agege General Hospital	Lagos state	1,084
	Back to School Health Outreach - Orile Agege	Lagos state	450
	Student Research - Olabisi Onabanjo University	Ogun state	844
UAC Foods Limited	Scholarship for school students in Kerang community	Plateau state	1,757
	Donation of hospital equipment to Freudian Medical Centre	Lagos state	1,500
	Total		20,910

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 (2023: Nil).

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2024

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 for Public Companies, as well as the provisions outlined in the Nigerian Code of Corporate Governance and continues to implement policies and improvements aimed at continuous improvement.

Dated this 28th day of March 2025

BY THE ORDER OF THE BOARD



Ayomipo Wey
Company Secretary
FRC/2013/NBA/00000003124

UAC of Nigeria PLC

Consolidated and separate financial statements
for the year ended 31 December 2024

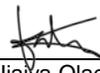
Certification pursuant to section 405(1) of Companies and Allied Matters Act, 2020

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 2024 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.
- (e) We have disclosed to the auditors of the company and audit committee:
 - (i) all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls; and
 - (ii) any fraud, whether or not material, that involve management or other employees who have significant role in the company's internal controls.
- (f) We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.



Folasope Aiyesimoju
Group Managing Director
FRC/2019/IODN/00000019806
28 March 2025



Funke Ijaiya-Oladipo
Group Finance Director
FRC/2021/001/00000022822
28 March 2025

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 affairs 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 2024 were approved by the Directors on 28 March 2025.

Signed on behalf of the Directors of the Company.



Mr. Khalifa Biobaku
Chairman
FRC/2025/PRO/DIR/003/685903

28 March 2025



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

28 March 2025

UAC of Nigeria PLC
Consolidated and separate financial statements
for the year ended 31 December 2024

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 audited Consolidated and Separate Financial Statements of the Group and Company for the year ended 31 December 2024 and report as follows:

- (a) The accounting and reporting policies of the Group and the Company are in compliance with IFRS Accounting Standards, the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
- (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 25th day of March, 2025

Members of the Committee as at 25 March 2025

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
Mrs. Amina Muhtar	Member	Board Representative

Secretary
Ayomipo Wey

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

I, Folasope Aiyesimoju, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as at 31 December 2024 of UAC of Nigeria Plc ("the Company") and its subsidiaries (together "the Group");
- b) Based on my 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 my 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 entity as of, and for, the periods presented in this report;
- d) The Group's other certifying officer and I:
 - (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 IFRS Accounting Standards;
 - (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) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee:
 - (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) The Group's other certifying officer and I have 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.



Folasope Aiyesimoju
Group Managing Director
FRC/2019/IODN/00000019806
Dated 28th day of March, 2025

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

I, Funke Ijaiya-Oladipo, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as at 31 December 2024 of UAC of Nigeria Plc ("the Company") and its subsidiaries (together "the Group");
- b) Based on my 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 my 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 entity as of, and for, the periods presented in this report;
- d) The Group's other certifying officer and I:
 - (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 IFRS Accounting Standards;
 - (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) The Group's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee:
 - (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) The Group's other certifying officer and I have 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.



Funke Ijaiya-Oladipo
Group Finance Director
FRC/2021/001/00000022822
Dated 28th day of March, 2025

Management's report on the effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of UAC of Nigeria Plc is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investment and Securities Act 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of UAC of Nigeria Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiaries (together "the Group") as of 31 December 2024 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of December 31, 2024, the management did not identify any material weakness in its assessment of internal control over financial reporting .

As a result, management has concluded that, as of December 31, 2024, the Group's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this report, issued an unmodified conclusion on the effectiveness of the the Group's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 23 -24 of this Report.

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 Group's internal control over financial reporting.



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

28 March 2025



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

28 March 2025



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UAC of Nigeria Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

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

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- 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 2024, 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 consolidated and separate 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.	
<p>The Company owns a portfolio of investment properties comprising commercial properties, and serviced residences. These investment properties are stated at their fair values based on independent external valuations.</p> <p>We focused on this area due to the size of the balance and the significant judgement required in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied. The valuations are a source of estimation uncertainty and susceptible to management bias and risk of error.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of management specialist's valuation methodology, including judgments and assumptions applied in determining the fair value of investment properties by comparing to acceptable industry standards. • We selected samples of investment properties and performed the following procedures: <ul style="list-style-type: none"> - we inquired with management and the valuer regarding the issues identified. Also, we obtained necessary supporting documentation to corroborate responses from management and the valuer; - we obtained comparative price analysis of similar properties in similar locations and recent transactions (where available) supporting the fair value determined for the sample properties; - we inspected the reports and assessed whether any matters identified could have a potential impact on the amounts disclosed in the financial statements; and - We performed a retrospective review of prior year assumptions. • We checked that the disclosures in the financial statements were in accordance with the requirements of IAS 40 <i>Investment Property</i>.
Inventories	
Refer to material accounting policies (Note 2.11) and related disclosures (Note 22) of the consolidated financial statements.	
<p>The carrying amount of inventories is significant and amounted to ₦54.9 billion representing 35% of total assets.</p>	<p>Our procedures included the following:</p>



<p>The Group has inventories at different locations and at different stages of the production process. The inventories are subject to different handling and quantity determination criteria. Additionally, the inventories are subject to obsolescence, the determination of which involves management judgement.</p> <p>The significance of the balance involved, the complexities inherent in determining the quantities on hand across the various locations and the judgement involved in determining obsolescence allowance makes inventories a Key Audit Matter in our audit.</p>	<ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of identified controls established within the inventory management process. • We observed year-end physical inventory count exercise and 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: <ul style="list-style-type: none"> - we recalculated the inventory costing formula applied by management for appropriateness; - we reviewed and assessed the adequacy of impairment for obsolete inventory; - 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 <i>Inventories</i>.
<p>Revenue recognition</p>	
<p>Refer to material accounting policies (Note 2.17) and related disclosures (Note 5) of the consolidated and separate financial statements.</p>	
<p>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</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation and operating effectiveness of identified controls established within the revenue process.



<p>in accordance with the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>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.</p> <p>These factors make revenue an area of significance in our audit.</p>	<ul style="list-style-type: none">• We selected a sample of revenue transactions using statistical sampling methods and performed the following procedures:<ul style="list-style-type: none">- We tested compliance with the revenue standard (IFRS 15) including assessment of the appropriateness of the allocation of revenue to multiple performance obligations (where applicable).- we matched sales invoices to related orders and dispatch notes at the transaction level.• We performed revenue cut-off procedures by assessing whether revenue transactions occurring both prior to and after the year end date were recognized in the appropriate period; and• We checked the disclosures in the financial statements for compliance with the requirements of IFRS 15: <i>Revenue from Contracts with Customers</i>.
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Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Investor Relations Statement, Financial Highlights, Directors' Report, Certification pursuant to section 405(1) of the Companies and Allied Matters Act, 2020, Statement of Directors Responsibilities in Relation to the Financial Statements, 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 and will not express any form of assurance conclusion thereon.

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

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

When we read the outstanding reports, if we conclude that there is a 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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 Group's internal control over financial reporting as of December 31, 2024. 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 29 March 2025. *This report is included on page 23 - 24 of the annual report.*

Signed:

Mohammed M. Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
29 March 2025
Lagos, Nigeria





KPMG Professional Services

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

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

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 2024 is effective in accordance with the criteria established in Internal Control - in 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 2024 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 29 March 2025 expressed an unmodified opinion on 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.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. 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.

Signed:

Mohammed M. Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
29 March 2025.
Lagos, Nigeria



UAC of Nigeria PLC
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2024

	Notes	The Group		The Company	
		31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N' 000	31 Dec 23 N' 000
Continuing operations					
Revenue	5	196,900,638	120,528,463	2,030,349	1,142,234
Cost of sales	8	(150,594,271)	(99,209,852)	-	-
Gross profit		46,306,367	21,318,611	2,030,349	1,142,234
Dividend income	6	96,688	52,185	827,271	782,767
Other operating income	7i	3,180,636	8,817,755	3,373,010	8,250,341
Impairment loss on financial assets	7ii	(142,777)	(861,473)	(17,765)	(814,928)
Selling and distribution expenses	8	(12,876,879)	(8,794,927)	-	-
Administrative expenses	8	(17,698,578)	(11,439,518)	(4,611,865)	(2,823,181)
Operating profit		18,865,457	9,092,633	1,601,000	6,537,233
Finance income	9	12,644,495	5,945,839	9,866,002	3,893,950
Finance costs	9	(6,685,272)	(3,558,021)	(2,165,273)	(516,821)
Net finance income		5,959,223	2,387,818	7,700,729	3,377,129
Share of profit from associates using the equity method	18	722,595	859,603	-	-
Profit before minimum tax		25,547,275	12,340,054	9,301,729	9,914,362
Minimum tax	10	(400,427)	(356,275)	(76,347)	-
Profit after minimum tax		25,146,848	11,983,779	9,225,382	9,914,362
Income tax expense	10	(8,836,220)	(3,075,665)	(2,645,363)	(1,374,991)
Profit for the year		16,310,628	8,908,114	6,580,019	8,539,371
Other comprehensive income/(loss):					
<i>Items not to be subsequently recycled to profit or loss</i>					
Net changes in fair value of financial assets net of tax	17i	500,967	(259,866)	500,967	(259,866)
Share of other comprehensive (loss)/income of associates using the equity method		(79,647)	194,370	-	-
Other comprehensive income for the year net of tax		421,320	(65,496)	500,967	(259,866)
Total comprehensive income for the year net of tax		16,731,948	8,842,618	7,080,986	8,279,505
Profit attributable to:					
Equity holders of the parent		14,538,991	9,187,469	6,580,019	8,539,371
Non controlling interests		1,771,637	(279,355)	-	-
Total comprehensive income/(loss) attributable to:		16,310,628	8,908,114	6,580,019	8,539,371
Equity holders of the parent		14,960,311	9,121,973	7,080,986	8,279,505
Non controlling interests		1,771,637	(279,355)	-	-
		16,731,948	8,842,618	7,080,986	8,279,505
Earnings per share attributable to owners of the parent during the year (expressed in Kobo per share):					
Basic earnings per share					
From profit for the year (Kobo)		497	314	225	295
Diluted earnings per share					
From profit for the year (Kobo)		497	314	225	295

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 2024

	Notes	The Group		The Company	
		31 Dec 24 N' 000	31 Dec 23 N' 000	31 Dec 24 N' 000	31 Dec 23 N' 000
Assets					
Non-current assets					
Property, plant and equipment	13	28,098,517	26,210,902	990,780	802,906
Intangible assets and goodwill	14	2,720,603	3,198,009	34,373	49,281
Investment property	15	1,117,635	1,190,629	1,117,635	1,190,629
Investments in subsidiaries	16	-	-	19,128,591	19,127,885
Equity instruments at fair value through other comprehensive income	17	1,072,706	266,311	1,072,706	266,311
Investments in associates	18	10,147,841	9,565,970	5,258,107	5,314,507
Debt instruments at amortised cost	19	6,481,422	4,019,173	6,481,422	4,019,173
Right of use assets	21	1,866,665	1,739,955	-	-
Trade and other receivables	23	1,380,124	2,146,881	3,208,571	5,283,259
Finance lease receivables	23.1	10,372	10,372	-	-
Deferred tax asset	26	54,183	-	-	-
Total non-current assets		52,950,068	48,348,202	37,292,185	36,053,951
Current assets					
Inventories	22	54,964,898	26,917,295	-	-
Trade and other receivables	23	8,856,234	10,791,678	2,274,443	2,491,281
Finance lease receivables	23.1	-	443,640	-	-
Refund assets	20	18,507	44,322	-	-
Cash and cash equivalents	24	40,594,214	25,269,620	21,788,776	15,840,658
Total current assets		104,433,853	63,466,555	24,063,219	18,331,939
Non-current assets held for sale	37(a)	341,878	530,714	35,270	-
Total assets		157,725,799	112,345,471	61,390,674	54,385,890
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		423,639	2,319	380,375	(120,592)
Equity settled share based payment reserve		521,879	586,809	521,879	586,809
Investment in scheme shares		(1,257,412)	-	(1,257,412)	-
Other reserve		91,923	91,923	-	-
Retained earnings		46,846,335	33,955,558	26,961,321	22,151,897
Equity attributable to equity holders of the Company		62,737,045	50,747,290	43,154,419	39,166,370
Non controlling interests		3,672,957	2,434,302	-	-
Total equity		66,410,002	53,181,592	43,154,419	39,166,370
Liabilities					
Non-current liabilities					
Borrowings	25	10,322,116	2,460,021	5,699,716	-
Lease liability	21	1,138,612	1,144,087	-	-
Deferred tax liabilities	26	6,268,133	2,907,273	3,230,497	624,641
Government grants	28	340,031	62,053	-	-
Employee benefits	32	1,223,204	59,611	-	-
Provisions	31	59,988	40,034	-	-
Total non-current liabilities		19,352,084	6,673,079	8,930,213	624,641
Current liabilities					
Trade and other payables	27	22,509,298	13,726,664	1,048,823	2,570,203
Contract liabilities	29	3,558,788	2,206,101	91,613	200,125
Current income tax liabilities	10	8,258,998	5,275,193	2,534,282	3,434,322
Borrowings	25	31,159,494	24,988,599	267,608	3,322,948
Dividend payable	30	5,674,793	5,768,706	5,170,168	5,063,733
Government grants	28	75,489	73,748	-	-
Lease liability	21	374,090	373,409	-	-
Provisions	31	326,802	6,548	193,548	3,548
Refund liabilities	20	25,961	71,832	-	-
Total current liabilities		71,963,713	52,490,800	9,306,042	14,594,879
Total liabilities		91,315,797	59,163,879	18,236,255	15,219,520
Total equity and liabilities		157,725,799	112,345,471	61,390,674	54,385,890

The consolidated and separate financial statements were approved and authorised for issue by the board of directors on 28 March 2025 and were signed on its behalf by:



Mr. Khalifa Biobaku
Chairman
FRC/2025/PRO/DIR/003/685903



Mr. Folasope Aiyemimoju
Group Managing Director
FRC/2019/ODN/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 2024

The Group												
Attributable to owners of the Company												
Notes	Share Capital	Share Premium	Contingency Reserve	Fair value Reserve	Other Reserve	Investment in scheme shares	Equity Settled Share-based Payment Reserve	Retained Earnings	Non controlling		Total	
									Total	Interest		
	N'000	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 2024	1,463,065	14,647,616	-	2,319	91,923	-	586,809	33,955,558	50,747,290	2,434,302	53,181,592	
Profit for the year								14,538,991	14,538,991	1,771,637	16,310,628	
Other comprehensive loss	17i	-	-	421,320	-	-	-	-	421,320	-	421,320	
Share Based Payment Expense							207,157	-	207,157	-	207,157	
Net changes in scheme shares	33					(1,257,412)	(272,087)	(1,126,846)	(2,656,345)	-	(2,656,345)	
Transactions with Equity holders												
Purchase of NCI shares on account of UFL merger	16	-	-	-	-	-	-	-	-	(706)	(706)	
Write back of statute barred dividend								122,381	122,381	-	122,381	
Dividend declared	30	-	-	-	-	-	-	(643,749)	(643,749)	(532,276)	(1,176,025)	
Total equity as at 31 December 2024	1,463,065	14,647,616	-	423,639	91,923	(1,257,412)	521,879	46,846,335	62,737,045	3,672,957	66,410,002	
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)				(65,496)					(65,496)		(65,496)	
Net changes in equity settled share-based payment							243,939		243,939		243,939	
Transaction with Equity holders												
Net Impact of UAC Foods Ltd merger with SWAN		-	-	-	-	-	-	33,866	33,866	(33,866)	-	
Purchase of NCI shares on account of UFL merger		-	-	-	-	-	-	798	798	(37,630)	(36,832)	
Changes in ownership due to UFL merger with SWAN		-	-	-	-	-	-	(51,846)	(51,846)	51,846	-	
Changes in ownership due to share transfer		-	-	-	-	-	-	(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)	
Balance 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	

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 2024

The Company Attributable to owners of the Company							
				Equity Settled Share-based			
	Share Capital N'000	Share Premium N'000	Fair value reserve N'000	Investment in scheme shares	Payment reserve N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2024	1,463,065	15,085,191	(120,592)	-	586,809	22,151,897	39,166,370
Profit for the year						6,580,019	6,580,019
Other comprehensive loss	17i		500,967			-	500,967
Share Based Payment Expense	8			-	207,157	-	207,157
Net changes in scheme shares	33			(1,257,412)	(272,087)	(1,126,846)	(2,656,345)
Transactions with Equity holders							
Dividends declared	30					(643,749)	(643,749)
Balance at 31 December 2024	1,463,065	15,085,191	380,375	(1,257,412)	521,879	26,961,321	43,154,419
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)/income			(259,866)	-		-	(259,866)
Net changes in equity settled share-based payment					243,939	-	243,939
Transactions with Equity holders							
Dividend declared						(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

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 2024**

	Notes	The Group		The Company	
		31 Dec 24 N' 000	31 Dec 23 N'000	31 Dec 24 N' 000	31 Dec 23 N' 000
Cash flows from operating activities					
Cash generated from/(used in) operations	34	9,812,850	(1,432,230)	1,936,086	(2,945,718)
Corporate tax paid	10	(2,903,282)	(1,893,471)	(992,544)	(138,128)
Net cash flows generated/(used in) from operating activities		6,909,568	(3,325,701)	943,542	(3,083,846)
Cash flows from investing activities					
Purchase of intangible assets	14	(16,416)	(69,145)	-	(2,026)
Purchase of property, plant and equipment	13	(5,212,940)	(4,583,497)	(382,055)	(218,953)
Proceeds from sale of property, plant and equipment		203,962	7,998,669	37,550	7,717,797
Proceeds from sale of Intangible asset	14	-	3,189	-	32
Proceeds from disposal of investment properties		119,600	1,404,412	119,600	1,404,412
Proceeds on disposal of non-current asset held for sale		110,570	14,009	64,657	-
Purchase of equity instrument at fair value through other comprehensive income	17	(249,765)	(110,240)	(249,765)	(110,240)
Proceeds from disposal of equity investment		-	45,600	-	45,600
Lease prepayment		(60,626)	(200,000)	-	-
Proceeds from maturity of debt instruments		338,003	183,936	338,003	183,936
Dividend received	6(a)	87,019	46,967	744,544	704,490
Interest received		3,387,307	1,778,356	2,572,410	1,472,270
Investment in scheme shares	33i	(2,656,345)	-	(2,656,345)	-
Acquisition of additional interest in subsidiaries		-	-	(706)	(90,526)
Net cash flows generated from/(used in) investing activities		(3,949,631)	6,512,256	587,893	11,106,792
Cash flows from financing activities					
Dividends paid to non-controlling interests	30	(532,276)	(532,276)	-	-
Dividends paid to Company shareholders	30	(643,749)	(643,749)	(643,749)	(643,749)
Proceeds from borrowings	25	69,049,104	36,833,691	14,993,461	6,370,676
Unclaimed dividend returned by/(refunded to) the registrar	30	28,618	346,299	106,435	249,856
Repayment of borrowings	25	(54,891,838)	(29,702,508)	(12,387,807)	(3,350,811)
Interest paid on loans	25	(5,981,923)	(2,271,746)	(1,978,086)	(146,621)
Repayment of lease liability	21	(952,449)	(459,271)	-	-
Payment to NCI on account of UFL merger	30	(150)	(20)	-	-
Purchase of NCI shares	16b	(706)	(103,155)	-	-
Net cash flows generated/(used in) from financing activities		6,074,631	3,467,265	90,254	2,479,351
Cash & cash equivalents at the beginning of the year		25,271,926	16,197,688	15,842,964	4,958,325
Effect of exchange rate changes on cash and cash equivalents		6,294,017	2,420,419	4,330,420	382,341
Net increase in cash & cash equivalents		9,034,568	6,653,819	1,621,689	10,502,298
Cash & cash equivalents at the end of the year	24i	40,600,511	25,271,926	21,795,073	15,842,964

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 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 28th March 2025.

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 2024. The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The Group adopted the amendments to IAS 1 for the first time in the current year. 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 new standard had no impact on the Group's consolidated and Separate financial statements.

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

The Group has adopted the amendments to IAS 1-Non-current Liabilities with Covenants for the first time in the current year. The amendments clarifies 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.

The amendment did not have an impact on the Group's financial statements

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

The Group has adopted the amendments to IFRS 16 Lease Liability in a Sale and Leaseback for the first time in the current year. The amendment to IFRS 16 Leases impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

The amendment did not have an impact on the Group's financial statements

(iv) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The Group has adopted this amendments for the first time in the current year. The amendments apply to supplier finance arrangements that have all of the following characteristics:

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement.

The amendment did not have an impact on the Group's financial statements

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 2025 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 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

(iii) Amendments to the Classification and Measurement of Financial Instruments –Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the International Accounting Standards Board (IASB) issued amendments to the classification and measurement of Financial Instruments which amended IFRS 9 and IFRS 7. The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted, and are related to:

- Settling financial liabilities using electronic payments system; and
- Assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The amendments include guidance on the classification of financial assets, including those with contingent features. The IASB has also amended IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. This standard is effective from 1 January 2026.

(iv) Annual improvements to IFRS standards - volume 11 (effective 1 January 2026)

These amendments, published in a single document, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended Standards are: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows.

(v) IFRS 19 Subsidiaries without public accountability: Disclosures (effective 1 January 2027)

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date: • it does not have public accountability; and • its parent produces consolidated financial statements under IFRS Accounting Standards. A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

(vi) IFRS 18 Presentation and disclosure in financial statements (effective 1 January 2027)

IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories (operating, investing and financing), based on a company's main business activities. The standard also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis.

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 (₦), 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)".

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

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

2.6 Property, plant and equipment

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

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

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

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

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

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

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

Leasehold land and buildings	Lease terms vary from 5 to 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.

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.

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Fair value reserve

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

Investment in scheme shares

Investment in scheme shares relates to shares acquired for the purpose of settling vested shares under the Company's Long Term Incentive Plan ("LTIP").

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.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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

Minimum tax expense

The Group is subject to the Finance Act, 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 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.

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

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

(c) Long service awards scheme

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

(d) Other long-term employee benefits

The Group recognizes obligations for other long-term employee benefits in line with IAS 19 Employee Benefits. The liability is recognized at the present value of the expected future payments as at the reporting date and is being carried as such.

(e) Termination benefits

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

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

(f) 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 recognises 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 2024				
	N'000	USD'000	GBP'000	EUR'000	Others
Financial assets					
Debt securities (Net)	-	4,214	-	-	-
Trade receivables (Net)	767,438	134	-	-	-
Other receivables (Net)	1,493,841	-	-	-	-
Cash and short-term deposits (Net)	20,558,693	13,015	8	0.38	-
	22,819,971	17,363	8	0.38	-
Financial liabilities					
Long term borrowings	10,322,116	-	-	-	-
Short term borrowings	31,159,494	-	-	-	-
Trade payables	11,174,912	529	-	-	-
	52,656,522	529	-	-	-

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	13,480,956	12,983	128	1	-
	16,529,946	17,857	128	1	-
Financial liabilities					
Long term borrowings	2,460,021	-	-	-	-
Short term borrowings	24,988,599	-	-	-	-
Trade payables	5,025,537	531	-	-	1
	32,474,157	531	-	-	1

The effective closing rate were as follows:

	31-Dec-24	31-Dec-23
USD/NGN	1,538.25	907.11
GBP/NGN	1,925.22	1,156.14
EUR/NGN	1,592.06	1,005.44
ZAR/NGN	81.97	49.00

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Financial risk factors continued

	GROUP	
	31-Dec-24	31-Dec-23
	N'000	N'000
The total impact on profit if Naira was to depreciate by 20%/(2023: 50%) across currencies would be as follows:	5,181,886	7,850,348
The total impact on profit if Naira was to appreciate by 20%/(2023: 50%) across currencies would be as follows:	(5,181,886)	(7,850,348)

Management considers a 20% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets.

COMPANY

	31 December 2024				
	N'000	USD'000	GBP'000	EUR'000	Others
Financial assets					
Debt at amortised cost	-	4,214	-	-	-
Cash and short-term deposits	7,936,041	9,001	4	-	-
Intercompany receivables	4,268,785	-	-	-	-
	12,204,826	13,215	4	-	-

	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	-	-

The effective closing rate were as follows:		31-Dec-24	31-Dec-23
USD/NGN		1,538.25	907.11
GBP/NGN		1,925.22	1,156.14
EUR/NGN		1,592.06	1,005.44
ZAR/NGN		81.97	49.00

	COMPANY	
	31-Dec-24	31-Dec-23
	N'000	N'000
The total impact on profit if Naira was to depreciate by 20%/(2023: 50%) across currencies would be as follows:	4,066,984	5,002,908
The total impact on profit if Naira was to appreciate by 20%/(2023: 50%) across currencies would be as follows:	(4,066,984)	(5,002,908)

Management considers a 20% 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 +/- ₦26.4million (2023: +/- ₦24.8million).

(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 (2023: 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-24	31-Dec-23
	N'000	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:	1,557,975	1,249,430
The total impact on profit or loss and equity if interest rates were to increase by 500 basis points would be as follows:	(1,557,975)	(1,249,430)

(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					Total
	Current	<90 days	Days past due			
			90–180 days	180–360 days	>360 days	
N'000	N'000	N'000	N'000	N'000	N'000	
31-Dec-24						
Expected credit loss rate	6.09%	33.39%	44.09%	78.43%	99.99%	
Total gross						
Carrying amount at default	878,740	123,925	102,420	39,327	428,774	1,573,186
Expected credit loss	53,492	41,372	45,155	30,842	428,721	599,582
31-Dec-23						
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	51,242	100,784	449,596	681,455

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

In thousands of Naira	2024	2023
Balance as at 1 January	681,455	704,904
Allowance for receivables impairment	124,052	82,447
Amount written off	(196,557)	(105,896)
Reclassification to withholding tax receivable	(9,327)	-
Balance at 31 December	599,623	681,455

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.

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

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

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

Analysis of inputs to the ECL model under multiple economic scenarios

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

Key drivers	31-Dec-24				
	Assigned Probabilities	ECL Scenario	Group/Company		
			2025	2026	2027
Oil Price	11.6%	Upturn	80	80	80
	80.1%	Base	78	78	78
	8.2%	Downturn	77	77	77
GDP rate %	11.6%	Upturn	3.33	3.16	3.51
	80.1%	Base	3.16	2.99	3.34
	8.2%	Downturn	2.93	2.76	3.11
Inflation rate %	11.6%	Upturn	16.4	13.4	11.4
	80.1%	Base	20.0	17.0	15.0
	8.2%	Downturn	32.5	29.5	27.5
Interest rate %	11.6%	Upturn	27.6	25.6	25.6
	80.1%	Base	28.3	26.3	26.3
	8.2%	Downturn	29.6	27.6	27.6

Key drivers	31-Dec-23				
	Assigned Probabilities	ECL Scenario	Group/Company		
			2024	2025	2026
Oil Price %	11.3%	Upturn	80	80	80
	80.3%	Base	79	79	79
	8.5%	Downturn	79	79	79
Unemployment 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

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

31-Dec-24	Short-term deposits	Group			Total	Short-term deposits	Intercompany & related party receivables	Company		Total
		Debt instrument at amortised cost (Note 19)	Impairment on associates					Debt instrument at amortised cost (Note 19)	Impairment on associates	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Upside (12%)	693	2,220	391	3,304	693	288	2,220	391	3,592	
Base (80%)	5,038	16,147	2,842	24,027	5,038	2,094	16,147	2,842	26,121	
Downturn (8%)	567	1,817	320	2,704	567	236	1,817	320	2,940	
Total	6,298	20,184	3,553	30,035	6,298	2,618	20,184	3,553	32,653	

31-Dec-23	Short-term deposits	Group			Total	Short-term deposits	Intercompany receivables	Company		Total
		Debt instrument at amortised cost (Note 19)	Impairment on associates					Debt instrument at amortised cost (Note 19)	Impairment on associates	
	N'000	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	11,342	2,307	3,547	5,727	3,308	14,889	

(c) Liquidity risk

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

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

At 31 December 2024	GROUP						
	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	41,481,610	52,524,446	-	9,917,905	22,226,250	12,251,257	8,129,035
Lease liabilities	1,512,702	1,689,592	-	-	477,186	1,167,920	44,486
Trade and other payables*	20,808,979	20,808,979	4,161,796	6,242,694	10,404,490	-	-
Dividend payable	5,674,793	5,674,793	5,674,793	-	-	-	-
	69,478,084	80,697,810	9,836,589	16,160,599	33,107,925	13,419,177	8,173,521

At 31 December 2023	GROUP						
	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

At 31 December 2024	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
Borrowings	5,967,324	14,390,372	-	-	1,252,268	5,009,070	8,129,035
Dividend payable	5,170,168	5,170,168	-	5,170,168	-	-	-
Other payables*	562,880	562,880	-	562,880	-	-	-
	11,700,372	20,123,420	-	5,733,048	1,252,268	5,009,070	8,129,035
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	-	2,100,982	-	-	-
	10,487,663	10,487,663	-	10,487,663	-	-	-

*This excludes all statutory payments.

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3.2 Capital risk management

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

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

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

	31-Dec-24	31-Dec-23
Interest bearing debt	41,481,610	27,448,620
Total equity	66,410,002	53,181,592
Total capital	107,891,612	80,630,212

Gearing ratio (%) 62 52

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 2024

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

N6,143 - N215,382

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 2024 was assessed to be insignificant.

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

	31-Dec-24		31-Dec-23	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Equity held at fair value through OCI	1,072,706	1,072,706	266,311	266,311
Trade and other receivables - Non-current	1,380,124	1,380,124	2,146,881	2,146,881
	2,452,830	2,452,830	2,413,192	2,413,192
Liabilities				
Bank overdrafts and current portion of borrowings	31,159,494	31,159,494	24,988,599	24,988,599
Long term borrowings	10,322,116	8,343,735	2,460,021	2,460,021
	41,481,610	39,503,229	27,448,620	27,448,620

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 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 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 the 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

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) 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

(k) Employee benefits Obligation

The Group recognizes obligations for other long-term employee benefits and long-term service awards at their present value as of the reporting date. The obligation for long-term service awards is determined through an actuarial valuation, which considers specific assumptions to calculate the present value. The expected future payments for other long-term employee benefits are discounted using yields on similar financial instruments to derive their present value.

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:

Edibles & Feed - 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

	Edibles & Feed	Paints	Packaged Food & Beverages	QSR	Others	Total
31 December 2024	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contracts with customers	102,817,504	36,362,182	58,033,865	2,511,583	1,785,866	201,511,000
Rental income	-	-	-	-	244,483	244,483
Total Revenue	102,817,504	36,362,182	58,033,865	2,511,583	2,030,349	201,755,483
Intergroup revenue	(2,735,261)	(6,918)	(307,706)		(1,804,960)	(4,854,845)
Revenue from third parties	100,082,243	36,355,264	57,726,159	2,511,583	225,389	196,900,638
Operating profit/(loss)	9,895,344	5,449,620	5,195,381	(882,805)	(792,082)	18,865,458
Profit/(Loss) before tax	4,832,232	6,064,248	6,649,274	(1,278,235)	9,279,757	25,547,276
Property, plant and equipment	12,754,979	3,784,764	9,751,588	816,405	990,781	28,098,517
Net assets/(liabilities)	12,775,584	10,636,480	14,077,208	(3,544,739)	32,465,470	66,410,004

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	Edibles & Feed	Paints	Packaged Food & Beverages	QSR	Others	Total
31 December 2023	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue from contract 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)	-	(937,307)	(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

Entity wide information

	31 Dec 24	31 Dec 23
	N'000	N'000
Analysis of revenue by category:		
Revenue from contracts with customers	196,675,249	120,323,536
Rental income	225,389	204,927
	196,900,638	120,528,463
Analysis of revenue by geographical location:		
Nigeria	196,900,638	120,528,463
Others	-	-
	196,900,638	120,528,463

Concentration risk

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

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Disaggregated Revenue Group

Segments	For the year ended 31 December 2024					
	Edibles & Feed	Paints	Packaged Food & Beverages	QSR	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contracts with customers						
Sale of goods	100,082,243	36,290,975	57,726,159	2,511,583	-	196,610,960
Rendering of service	-	64,289	-	-	225,389	289,678
Total	100,082,243	36,355,264	57,726,159	2,511,583	225,389	196,900,638
Geographical Markets						
Nigeria	100,082,243	36,355,264	57,726,159	2,511,583	225,389	196,900,638
Outside Nigeria	-	-	-	-	-	-
Total	100,082,243	36,355,264	57,726,159	2,511,583	225,389	196,900,638
Timing of revenue						
Goods transferred at a point in time	100,082,243	36,290,975	57,726,159	2,511,583	-	196,610,960
Services transferred over time	-	64,289	-	-	225,389	289,678
Total	100,082,243	36,355,264	57,726,159	2,511,583	225,389	196,900,638

Disaggregated Revenue Group

Segments	For the year ended 31 December 2023					
	Edibles & Feed	Paints	Packaged Food & Beverages	QSR	Others	Total
	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
Total	64,166,042	23,888,972	28,553,265	3,715,257	204,927	120,528,463

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6 Dividend income	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Dividend income from subsidiaries	-	-	730,583	730,582
Dividend income from associate	77,938	35,060	77,938	35,060
Dividend income from third parties	18,750	17,125	18,750	17,125
Total dividend income	96,688	52,185	827,271	782,767

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Gross dividend income	96,688	52,185	827,271	782,767
Withholding tax on dividend income	(9,669)	(5,218)	(82,727)	(78,277)
Dividend received	87,019	46,967	744,544	704,490

7i Other operating income/(loss)

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Profit on sale of Property, Plant and Equipment	145,230	7,114,667	24,861	6,999,525
Loss on disposal of equity investment	-	(62,653)	-	(62,653)
Profit on sale of investment properties	26,924	696,052	26,924	696,052
Net fair value gain/(loss) on investment properties (Note 15)	19,682	(186,371)	19,682	(186,371)
Profit on disposal of asset held for sale	51,495	2,873	43,528	-
Government grant (Note 28)	79,237	88,418	-	-
Bad debt recoveries	6,365	-	-	-
Lease modification adjustment	(12,775)	139,963	-	-
Write-back of unidentified lodgements	11,414	-	-	-
Rental income	110,000	-	-	-
Other income (a)	2,743,064	1,024,806	3,258,015	803,788
Total other operating income/(loss)	3,180,636	8,817,755	3,373,010	8,250,341

(a) Other income

Other income comprises:

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Management fees	279,114	199,718	-	-
Sale of scrap, used bags and by products	797,666	474,542	-	-
Board fees and allowances (b)	-	-	218,575	54,955
Recharged costs (c)	-	-	2,009,048	476,903
Reimbursed freight cost (d)	563,215	-	-	-
Other trading income (e)	1,103,070	350,546	1,030,391	271,930
	2,743,064	1,024,806	3,258,014	803,788

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(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 ₦1,648,517,474 which represents the 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, Chemical and Allied Products PLC and Livestock Feeds PLC.

(d) Reimbursed freight cost

Reimbursed freight cost recharge represents recharges of the costs of delivery of the Group's goods to customers.

(e) Other trading income

Other trading income includes writeback of provisions no longer required (₦910 million), settlement received from concluded property dispute (₦100 million), long outstanding liabilities that are statute barred and now released to profit or loss, insurance claims recovered and other miscellaneous income.

7ii Impairment loss on financial assets

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Impairment loss/(Write back) on related party receivables (Note 23)	(246)	2,177	682	1,816
Impairment loss on other receivables	(32)	(99,650)	-	(135,191)
Impairment loss on debt securities (Note 19)	(14,457)	(1,215)	(14,457)	(1,215)
Impairment loss on short term deposit	(3,990)	(1,588)	(3,990)	(1,588)
Impairment loss on other financial assets	-	(678,750)	-	(678,750)
Impairment loss on trade receivables (Note 23)	(124,052)	(82,447)	-	-
Total impairment loss on financial assets	(142,777)	(861,473)	(17,765)	(814,928)

8 (a) Expenses by Nature

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Raw materials consumed and changes in finished goods and work in progress	133,252,957	85,573,401	-	-
Write down of inventories to net realisable value	153,633	387,658	-	-
Personnel expenses (f)	17,595,657	11,629,785	2,913,307	1,450,672
Depreciation charge on property, plant and equipment	3,283,077	2,960,274	181,492	155,354
Depreciation charge on right-of-use asset	716,684	488,692	-	-
Amortisation of intangibles	493,822	500,946	14,908	13,625
Impairment of property, plant and equipment	136,740	20,000	-	-
Write off of Property, Plant and Equipment	37,612	-	-	-
Royalty fees	1,089,618	764,645	-	-
Rents & rates	373,546	220,899	68,421	45,824
Electricity & power	4,535,661	3,640,890	25,643	27,592
Vehicles repairs, maintenance & fueling	1,314,042	791,882	4,669	2,051
Other repairs & maintenance	897,315	682,792	56,307	25,361
Auditors' remuneration (d)	247,700	198,049	50,500	55,213
Information technology charge	2,427,485	1,333,559	134,562	56,551
Legal and professional expenses	1,530,047	1,118,777	689,014	667,884
Donations	20,910	16,286	2,995	3,174
Subscriptions	131,857	86,252	75,725	50,988
Insurance	625,839	568,231	91,960	55,152

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8 (a) Expenses by Nature cont'd

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Distribution expenses	6,013,875	4,205,830	-	-
Marketing, Advertising & Communication	2,611,185	1,911,377	27,170	5,108
Hire of equipment	129,907	146,298	-	-
Catering expenses	599,497	369,383	28,433	19,968
Cleaning, laundry & sanitation	252,924	209,722	1,804	1,418
Levies, licenses & permit	165,758	54,072	-	-
Security	305,524	261,704	-	2,350
Travelling expenses	574,656	362,975	92,687	71,277
AGM expenses	95,672	74,437	30,919	35,696
Bank charges	136,734	98,175	23,541	9,383
Stationery and printing	61,674	65,863	2,955	1,804
Uniform and safety kit	20,862	23,262	63	90
Subcontracting services	109,717	-	-	-
Training and recruitment expenses	413,069	67,716	55,466	52,515
Consumables	184,620	115,562	-	-
Project expense	139,597	20,395	-	-
Entertainment expense	71,998	65,132	-	-
Corporate gifts	41,612	37,749	38,312	13,808
Back duty assessment tax(c)	160,129	16,766	-	-
Loss on lease termination	1,473	2,468	-	-
Sundry office expenses (e)	215,041	352,398	1,013	324
	181,169,728	119,444,297	4,611,865	2,823,181

8 (b) Expenses by Function

Analysed as:

Cost of sales	150,594,271	99,209,852	-	-
Selling and distribution expenses	12,876,879	8,794,927	-	-
Administrative expenses	17,698,578	11,439,518	4,611,865	2,823,181
	181,169,728	119,444,297	4,611,865	2,823,181

8 (c) Back duty assessment tax

The amount represents the back duty assessment on VAT and withholding tax paid by the Livestock Feeds Plc during the year (2023: Grand Cereals)

8 (d) Auditors' Remuneration

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

Services	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Audit related services: (comprising of Audit fee, Assurance on ICFR)	247,700	187,874	50,500	45,538
Non audit services	2,150	10,175	2,150	9,675
Total	249,850	198,049	52,650	55,213

8 (e) Sundry office expenses

Sundry office expenses comprises the following:

VAT on commercial service fees	130,648	68,035	-	-
Other miscellaneous expenses (i)	84,393	284,363	1,013	324
	215,041	352,398	1,013	324

(i) Other miscellaneous expenses

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

8 (f) Personnel expenses

Personnel expenses include:

Wages, salaries and other short term benefits for staff and managers (excluding directors)	14,242,959	10,034,608	1,708,611	798,272
Directors' emoluments	1,537,166	974,212	942,692	372,594
Defined contribution plans	438,387	377,548	54,847	35,867
Share based payment expense	207,157	243,939	207,157	243,939
Other long term employee benefit	1,159,246	-	-	-
Long service awards	10,742	(522)	-	-
	17,595,657	11,629,785	2,913,307	1,450,672

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	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Costs				
Key management personnel:				
Wages, salaries and other short term benefits	1,301,119	1,120,323	380,643	121,159
Directors' emoluments				
- Executive Directors	1,021,614	386,407	802,816	279,426
- Non-Executive Directors	515,552	251,069	139,877	93,168
	1,537,166	637,476	942,692	372,594
Post employment benefits:				
- Defined contribution plans	48,861	32,360	21,240	19,300
Total for directors and key management personnel	2,887,146	1,790,159	1,344,576	513,053
Other management personnel	7,200,631	4,708,034	563,487	315,787
Non-management personnel	6,130,735	4,888,175	798,087	377,893
Share based benefits - Long Term Incentive Plan (Note 33)	207,157	243,939	207,157	243,939
Other long term employee benefit (Note 32ii)	1,159,246	-	-	-
Long service awards	10,742	(522)	-	-
Total	17,595,657	11,629,785	2,913,307	1,450,672
Numbers				
Key management personnel	35	40	3	3
Other management personnel	574	602	6	11
Non-management personnel	758	816	31	17
Total	1,367	1,458	40	31
Average cost per staff				
	12,872	7,977	72,833	46,796

(II) The table below shows the number of employees (excluding non executive directors), who earned over N500,000 as emoluments in the year and were within the bands stated.

N	The Group		The Company	
	2024 Number	2023 Number	2024 Number	2023 Number
500,001 - 700,000	-	2	-	-
700,001 - 900,000	68	114	-	-
900,001 - 1,100,000	15	19	-	-
1,100,001 - 1,300,000	61	60	-	-
1,300,001 - 1,500,000	17	41	-	-
1,500,001 and Above	1,206	1,222	40	31
	1,367	1,458	40	31

	The Company	
	2024 N' 000	2023 N' 000
(iii) Emoluments of directors		
Fees	12,185	13,275
Other emoluments	930,507	359,319
	942,692	372,594

(iv) The Chairman's emolument.

	35,460	25,051
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(v) Emolument of the highest paid Director.

	401,408	128,855
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(vi) The table below shows the number of directors of the Company, whose remuneration, excluding pension contributions, fell within the bands shown.

N	The Company	
	2024 Number	2023 Number
100,001 - 15,000,000	-	5
15,000,001 and above	8	4
	8	9

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9. Net finance income

	The Group		The Company	
	31 Dec 24 N' 000	31 Dec 23 N' 000	31 Dec 24 N' 000	31 Dec 23 N' 000
Interest income on short-term bank deposits	2,705,518	1,326,004	1,681,693	868,846
Interest income on Eurobonds	487,849	227,893	487,849	227,893
Interest income on loans	182,019	194,459	394,247	378,862
Interest income on finance lease assets	3,300	33,331	-	-
Total interest income	3,378,686	1,781,687	2,563,789	1,475,601
Exchange gain	9,265,809	4,164,152	7,302,213	2,418,349
Finance Income	12,644,495	5,945,839	9,866,002	3,893,950
Interest expense on bank loans and corporate bond	(4,471,467)	(2,860,278)	(271,672)	(17,517)
Interest expense on commercial paper	(1,745,136)	(432,186)	(1,745,136)	(432,186)
Interest expense on lease liability - Note 21	(310,068)	(198,439)	-	-
Amortisation of premium on Eurobonds	(148,465)	(67,118)	(148,465)	(67,118)
Unwinding of discount on provisions	(10,136)	-	-	-
Finance Costs	(6,685,272)	(3,558,021)	(2,165,273)	(516,821)
Net finance income	5,959,223	2,387,818	7,700,729	3,377,129

Analysis of interest income

	The Group		The Company	
	31 Dec 24 N' 000	31 Dec 23 N' 000	31 Dec 24 N' 000	31 Dec 23 N' 000
Interest on fixed deposit	2,697,394	1,303,671	1,673,570	846,513
Interest on related party loans	182,019	194,459	394,247	378,862
Interest on call deposit	7,405	8,562	7,405	8,562
Interest on current account	719	62	718	62
Interest on commercial paper	-	13,710	-	13,710
Coupon on Eurobonds	487,849	227,892	487,849	227,892
Interest on finance lease assets	3,300	33,331	-	-
Interest income	3,378,686	1,781,687	2,563,789	1,475,601

10. Taxation

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<i>Current tax</i>				
Nigeria corporation tax charge for the year	4,650,948	1,263,110	-	79,014
Education tax	710,920	219,820	-	6,821
Capital gains tax	12,490	911,188	11,960	910,235
Police Trust Levy	1,348	784	465	479
Withholding tax on dividend income	82,728	78,277	82,728	78,277
Change in estimates related to prior years	126,772	-	17	-
Charge on back duty tax assessment	-	412,567	-	-
Total current tax charge	5,585,206	2,885,747	95,170	1,074,826
<i>Deferred tax</i>				
Temporary differences, origination and reversal (note (26))	3,251,014	189,919	2,550,193	300,165
Total deferred tax	3,251,014	189,919	2,550,193	300,165
Income tax expense	8,836,220	3,075,665	2,645,363	1,374,991

Nigeria corporation tax is calculated at 30% (2023: 30%) of the taxable profit for the period and education tax is calculated at 3% (2023: 3%) of assessable profit.

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

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Profit/(loss) before tax (A)	25,547,275	12,340,054	9,301,729	9,914,362
Tax at the Nigeria corporation tax rate of 30% (2023: 30%)	7,664,183	3,702,016	2,790,519	2,974,309
Education tax	710,920	219,820	-	6,821
Capital gains tax	12,490	911,188	11,960	910,235
Back duty tax	126,772	412,567	17	-
Tax effect of disallowable expenses	534,646	1,253,949	242,354	178,514
Tax effect of Exempt income	(687,607)	(2,913,957)	(482,680)	(2,773,643)
Temporary differences(a)	-	(29,243)	-	-
Trust levy	1,348	784	465	479
Tax incentives	-	(781,922)	-	-
Effect of current year unrecognised deferred tax	390,741	222,185	-	-
Withholding tax on dividend income	82,728	78,277	82,728	78,277
Tax charge for the year (B)	8,836,220	3,075,665	2,645,363	1,374,991
Effective tax rate B/A	35%	25%	28%	14%

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

Current income tax liabilities

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Opening balance	5,275,193	3,997,168	3,434,322	2,522,118
Back duty taxes	126,772	412,567	17	-
Income tax expense	5,458,434	2,473,179	95,153	1,074,826
Minimum tax	400,427	356,275	76,347	-
Withholding tax credit notes utilised	(98,546)	(70,526)	(79,013)	(24,494)
Payment during the year	(2,903,282)	(1,893,471)	(992,544)	(138,128)
	8,258,998	5,275,193	2,534,282	3,434,322

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11. Dividend

	The Company	
	2024	2023
	N'000	N' 000
Amounts recognised as distribution to ordinary shareholders in the year comprise:		
Dividend declared	643,749	643,749
Number of shares (000)	2,926,132	2,926,132
Dividends per share (kobo per share)	22	22

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	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
Profit attributable to ordinary equity shareholders:				
Profit from continuing operations	14,538,991	9,187,469	6,580,019	8,539,371
Profit for the year	14,538,991	9,187,469	6,580,019	8,539,371
Basic earnings per share				
From continuing operations	497	314	225	295
Earnings per share	497	314	225	295

	The Company	
	2024	2023
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	2,926,132	2,926,132

(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.

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13. Property, plant and equipment

The Group

Cost:	Land	Buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
At 1 January 2024	1,352,793	8,082,704	25,786,876	1,350,989	4,751,699	1,497,760	3,245,097	46,067,917
Additions	-	183,180	1,535,271	162,103	647,232	263,260	2,421,894	5,212,940
Disposals	-	(4,858)	(275,626)	(52,614)	(198,205)	(135,704)	-	(667,007)
Transfer from assets held for sale (Note 37)	40,000	148,967	1,871	-	-	-	-	190,838
Write off	-	(250,327)	(17,474)	-	-	(194)	-	(267,995)
Reclassification	-	512,822	234,123	93,721	225,515	7,891	(1,074,072)	-
At 31 December 2024	1,392,793	8,672,488	27,265,041	1,554,199	5,426,241	1,633,013	4,592,919	50,536,693
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
Accumulated depreciation and impairment								
At 1 January 2024	-	2,519,759	12,945,850	1,055,613	2,360,150	955,644	20,000	19,857,015
Charge for the year	-	229,704	1,790,751	150,625	760,802	351,195	-	3,283,077
Impairment	-	-	52,358	19	84,363	-	-	136,740
Disposals	-	(4,837)	(262,930)	(46,191)	(162,886)	(131,431)	-	(608,275)
Write-off	-	(213,371)	(16,991)	-	-	(19)	-	(230,381)
At 31 December 2024	-	2,531,255	14,509,038	1,160,066	3,042,429	1,175,389	20,000	22,438,176
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
Net book values:								
At 31 December 2024	1,392,793	6,141,233	12,756,003	394,133	2,383,812	457,624	4,572,919	28,098,517
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

(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 in 2023

(c) Impairment loss of ₦136million was recognised on property, plant and equipment (2023:N20mn)

(d) No borrowing cost was capitalised during the year (2023:Nil)

(e) The property, plant and equipment are not pledged as security by the Group (2023: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.

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13. Property, plant and equipment

The Company

Cost:	Building	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
		N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	631,904	340,563	209,221	362,825	88,251	3,654	1,636,418
Additions	-	256,046	30,193	93,531	-	2,285	382,055
Disposals	(4,858)	(132,705)	(44,012)	-	(21,505)	-	(203,080)
At 31 December 2024	627,046	463,904	195,402	456,356	66,746	5,939	1,815,393
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)
Write Off	-	-	-	-	298	-	298
Transfer from/(to) 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
Accumulated depreciation and impairment							
At 1 January 2024	198,752	270,421	133,018	176,711	54,611	-	833,512
Charge for the year	14,616	46,098	29,035	79,176	12,567	-	181,492
Disposals	(4,837)	(124,918)	(39,148)	-	(21,488)	-	(190,391)
At 31 December 2024	208,531	191,601	122,905	255,887	45,690	-	824,613
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
Net book values:							
At 31 December 2024	418,515	272,303	72,497	200,469	21,056	5,939	990,780
At 31 December 2023	433,152	70,142	76,203	186,114	33,640	3,654	802,906

No impairment loss was recognised on property, plant and equipment (2023:Nil)

No borrowing cost was capitalised during the year (2023:Nil)

The property, plant and equipment are not pledged as security by the Company (2023:Nil)

Capital work in progress comprises amounts incurred with respect to Leasehold improvements as at year end.

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14. Intangible assets and goodwill

Cost	Group					Company			
	Goodwill N' 000	Brands & Trade N' 000	Software N' 000	Capital Work in N' 000	Total N' 000	Software N' 000	Capital Work in N' 000	Total N' 000	
At 1 January 2024	548,747	1,070,185	3,285,507	4,622	4,909,062	260,039	-	260,039	
Additions	-	-	16,416	-	16,416	-	-	-	
At 31 December 2024	548,747	1,070,185	3,301,924	4,622	4,925,478	260,039	-	260,039	
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	3,285,507	4,622	4,909,062	260,039	-	260,039	
Accumulated amortisation									
At 1 January 2024	-	288,439	1,422,614	-	1,711,052	210,758	-	210,758	
Amortisation for the period	-	-	493,823	-	493,823	14,908	-	14,908	
At 31 December 2024	-	288,439	1,916,437	-	2,204,875	225,665	-	225,666	
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	
Net book values									
At 31 December 2024	548,747	781,747	1,385,487	4,622	2,720,603	34,373	-	34,373	
At 31 December 2023	548,747	781,747	1,862,894	4,622	3,198,010	49,281	-	49,281	

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 N' 000	Addition N' 000	Disposal N' 000	Impairment N' 000	Other Adjustments N' 000	Closing N' 000
2024						
Livestock Feeds PLC	209,705	-	-	-	-	209,705
Chemical and Allied Products PLC	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747
2023						
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 ₦9.1billion as at 31 December 2024 (2023: ₦4.1 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 (2023: 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 2024 (2023: 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 ₦16.9billion as at 31 December 2024 (2023: ₦9.3 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 (2023: 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 (₦3.3billion), consequently no impairment was charged as at 31 December 2024 (2023: Nil).

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15 . Investment property

Fair value	The Group			The Company		
	Freehold land and building	Leasehold land and building	Total investment properties	Freehold land and building	Leasehold land and building	Total investment properties
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
At 1 January 2024	-	1,190,629	1,190,629	-	1,190,629	1,190,629
Disposals	-	(92,676)	(92,676)	-	(92,676)	(92,676)
Net gain from fair value adjustments on investment property	-	19,682	19,682	-	19,682	19,682
At 31 December 2024	-	1,117,635	1,117,635	-	1,117,635	1,117,635
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

Fair value of investment properties is categorised as follows:

31-Dec-24	The Group			The Company		
	Freehold land and building	Leasehold land and building	Total investment properties	Freehold land and building	Leasehold land and building	Total investment properties
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
External valuation	-	1,117,635	1,117,635	-	1,117,635	1,117,635
	-	1,117,635	1,117,635	-	1,117,635	1,117,635

Fair value of investment properties is categorised as follows:

31-Dec-23	The Group			The Company		
	Freehold land and building	Leasehold land and building	Total investment properties	Freehold land and building	Leasehold land and building	Total investment properties
	N' 000	N' 000	N' 000	N' 000	N' 000	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

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

Price per square metre

N6,143 - N215,382

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 2024 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 2024 was signed by the firm's Managing partner Fatimilehin Adegboyega (FRC/2013/NIESV/0000000754)

Rental income schedule	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	N' 000	N' 000
Rental income derived from investment properties	62,583	44,313	62,583	44,313
Direct operating expenses (including repairs and maintenance) on investment property generating rental income	(5,695)	(4,718)	(5,695)	(4,718)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(13,584)	(12,221)	(13,584)	(12,221)
Profit arising from investment properties carried at fair value	43,304	27,374	43,304	27,374

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 N221,093,500/N240,186,703 (2023: Group - N208,201,754; Company: N221,184,094)

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

	The Group		The Company	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
0-1 year	2,080	2,190	2,080	2,190
1-5 years	15,655	10,983	15,655	10,983
Above 5 years	-	-	-	-
Total	17,735	13,173	17,735	13,173

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.

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16. Investments in subsidiaries

Company	31 Dec 24	31 Dec 23		
	N' 000	N' 000		
Opening balance	19,127,885	19,037,359		
Additions - Acquisitions in Subsidiaries	706	90,526		
Closing Balance	19,128,591	19,127,885		
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N' 000	N' 000	% ownership	% ownership
Quoted shares:				
<i>Chemical and Allied Products PLC</i>	2,945,759	2,945,759	57.85	57.85
471,343,569 ordinary shares of 50k each				
<i>Livestock Feeds PLC</i>	2,246,401	2,246,401	73.29	73.29
2,198,745,772 ordinary shares of 50k each				
Unquoted shares:				
<i>Grand Cereals Limited</i>	7,259,495	7,259,495	71.43	71.43
1,360,081,786 ordinary shares of N1 each				
<i>UAC Foods Limited (a)</i>	6,425,646	6,424,940	99.96	99.96
273,973,143 ordinary shares of 50k each				
<i>UAC Restaurants Limited</i>	251,290	251,290	51.00	51.00
220,830,000 ordinary shares of 50k each				
	19,128,591	19,127,885		

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)	(24,203)
	103,155

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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	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	266,311	514,965	266,311	514,965
Additions	249,765	110,240	249,765	110,240
Disposal of Kandua investment	-	(108,253)	-	(108,253)
Fair value gain/(loss) (a)	556,630	(250,641)	556,630	(250,641)
At 31 December	1,072,706	266,311	1,072,706	266,311

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 2024 N' 000	Fair value as at 31 December 2023 N' 000	Dividend Income Recognised in 2024 N' 000	Dividend Income Recognised in 2023 N' 000
Investment in Central Securities Clearing System PLC	263,750	248,000	18,750	17,125
Ventures Platform IV GP Limited	808,956	18,311	-	-
	1,072,706	266,311	18,750	17,125

(a) Fair value gain

The fair value gain represents:

(i) a fair value gain of ₦15.8mn (2023: ₦92mn) 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)

(ii) a fair value gain of ₦541mn (2023: loss of ₦343mn) on Ventures Platform. The fair value was determined using level 2 inputs in accordance with IFRS 13.

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

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Fair value gain/(loss) on equity instrument through other comprehensive income	556,630	(250,641)	556,630	(250,641)
Deferred tax (Charged)/Credited to other comprehensive income	(55,663)	(9,225)	(55,663)	(9,225)
Net changes in fair value of financial assets net of tax	500,967	(259,866)	500,967	(259,866)

18. Investments in associates

Set out below are the associates of the Group as at 31 December 2024. The associates listed below have share capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associates:

	Country of incorporation	The Group		The Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
UPDC PLC*	Nigeria	42.20%	42.85%	42.20%	42.85%
MDS Logistics	Nigeria	43%	43%	43%	43%
			The Group	The Company	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
Associate					
MDS Logistics		6,054,051	5,520,359	1,569,274	1,569,274
UPDC PLC		4,093,790	4,045,611	3,688,833	3,745,233
At 31 December		10,147,841	9,565,970	5,258,107	5,314,507

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

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
At 1 January	9,565,970	8,511,997	5,314,507	5,314,507
Share of profit	722,595	859,603	-	-
Share of other comprehensive (loss)/profit	(79,647)	194,370	-	-
Reclassification to non-current assets held for sale*	(61,077)	-	(56,400)	-
At 31 December	10,147,841	9,565,970	5,258,107	5,314,507

*During the period, the Board of Directors of UACN passed a resolution to sell 120 million units of UPDC Plc shares. This represents 1.5% of UAC's holding and 0.65% of total ownership stake, with a carrying value of ₦61.1 million for the Group and ₦56.4million for the Company. Consequently, the approved number of shares was reclassified to non-current assets held for sale and as at December 31, 2024 a total of 45million has been sold (see note 37)

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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-24	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	9,223,065	15,775,714	3,095,300	11,855,588	11,516,968	10,047,889
MDS Logistics	11,657,956	5,271,958	2,486,167	7,333,215	773,308	7,110,536

31-Dec-24	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	11,936,126	1,399,245	-	(186,779)	1,212,466
MDS Logistics	21,374,104	1,241,144	-	-	1,241,144

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	9,360,683	10,303,347	4,774,633	6,053,974	4,918,009	8,835,423
MDS Logistics	13,353,638	4,707,187	6,561,894	5,407,901	697,396	6,091,035

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	5,343,622	221,505	-	453,606	675,111
MDS Logistics	17,714,767	1,274,130	-	-	1,274,130

19. Debt instruments at amortised cost	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	4,024,900	2,236,615	4,024,900	2,236,615
Settlements during the year	(338,003)	(183,936)	(338,003)	(183,936)
Coupon accrued	487,849	227,892	487,849	227,892
Coupon received	(496,470)	(224,562)	(496,470)	(224,562)
Premium amortised to P/L	(148,464)	(67,118)	(148,464)	(67,118)
Exchange gain on revaluation	2,971,794	2,036,008	2,971,794	2,036,008
Gross investment in debt	6,501,606	4,024,900	6,501,606	4,024,900
ECL -impairment (Note 3.1 (b))	(20,184)	(5,727)	(20,184)	(5,727)
At 31 December	6,481,422	4,019,173	6,481,422	4,019,173

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 N20.18mn (2023: N5.7mn).

31 December 2024

Bond type	Group and Company			
	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
B-/Fitch ETI 2031	308,815	-	-	308,815
B-/S&P; B-/Fitch Ecobank 2024/2026	1,672,269	-	-	1,672,269
B-/S&P; B-/Fitch SEPLAT 2026	812,238	-	-	812,238
B/S&P; B+/Fitch FGN 2025/2029	3,571,740	-	-	3,571,740
	6,365,062	-	-	6,365,062
Premium on bonds	137,597	-	-	137,597
Discount on bonds	(1,053)	-	-	(1,053)
Total	6,501,606	-	-	6,501,606

31 December 2023

Bond type	Group and Company			
	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 2026	985,878	-	-	985,878
B-/S&P; B-/Fitch SEPLAT 2026	478,430	-	-	478,430
B2/Moody's; B/S&P; B+/Fitch FGN 2025	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

Movement in Expected Credit Loss (ECL)	Group and Company			
	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
At 1 January 2024	5,727	-	-	5,727
Impairment loss	14,457	-	-	14,457
At 31 December 2024	20,184	-	-	20,184

At 1 January 2023	4,512	-	-	4,512
Write back of impairment loss	1,215	-	-	1,215
At 31 December 2023	5,727	-	-	5,727

20. Refund assets and refund liabilities

	The Group		The Company	
	31 Dec 24 N' 000	31 Dec 23 N' 000	31 Dec 24 N' 000	31 Dec 23 N' 000
Refund assets	18,507	44,322	-	-
Refund liabilities				
- Arising from rights of return	25,961	71,832	-	-
	25,961	71,832	-	-

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.

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.

21a. Right of use assets	Land and Building	Plant and Machinery	Total
	N' 000	N' 000	N' 000
At 1 January 2024			1,739,955
Additions	1,455,783	284,172	914,321
Depreciation expenses	155,494	758,827	(716,684)
Lease terminated	(394,621)	(322,063)	(1,473)
Lease Modification	(1,473)	-	(69,454)
At 31 December 2024	1,145,729	720,936	1,866,665
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
At 31 December 2023	1,455,783	284,172	1,739,955

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Amounts recognised in profit or loss				
Depreciation of Right of use assets	716,684	488,692	-	-
Interest expense on lease liabilities	310,068	198,439	-	-
Expense relating to short term/low value leases	373,546	220,899	68,421	45,824
	1,400,298	908,030	68,421	45,824

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

21b. Lease Liability	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	1,517,496	1,358,947	-	-
Accretion interest	310,069	198,439	-	-
Additions during the year	853,695	448,257	-	-
Payment of principal	(952,449)	(459,271)	-	-
Lease Modification	(56,679)	31,370	-	-
Lease terminated	-	(60,246)	-	-
Reclassifications to payables	(159,430)	-	-	-
At 31 December	1,512,702	1,517,496	-	-
Current	374,090	373,409	-	-
Non-current	1,138,612	1,144,087	-	-
	1,512,702	1,517,496	-	-

The maturity analysis of lease liabilities are disclosed in Note 3.3

22. Inventories

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Raw materials and consumables	44,204,277	20,097,745	-	-
Technical stocks and spares	6,335,142	3,301,467	-	-
Finished goods and goods for resale	6,189,113	5,546,750	-	-
Goods in transit	183,805	-	-	-
	56,912,337	28,945,962	-	-
Write down to net realisable value (Note 8)	(1,947,439)	(2,028,667)	-	-
	54,964,898	26,917,295	-	-

The cost of inventories recognised as an expense during the year in respect of continuing operation was N134 billion (2023: N86 billion).

The value of inventory written down which were recognised as expense during the period was N154 million (2023: N388million)

No inventory has been pledged as security (2023: Nil)

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

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Changes in inventory	(28,047,603)	(2,520,895)	-	-
Write off of inventories to net realisable value	(153,633)	(387,658)	-	-
Changes in inventory in the cashflow statement	(28,201,236)	(2,908,553)	-	-

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23. Trade and other receivables

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Receivables due within one year				
Trade receivables	1,573,186	1,961,038	-	-
Less: allowance for impairment of trade receivables	(599,623)	(681,455)	-	-
Net trade receivables	973,563	1,279,583	-	-
Receivables from group companies - Note 35 c	-	-	1,040,456	1,687,421
Allowance for expected credit losses on intercompany receivables	-	-	(2,618)	(3,547)
Receivables from associates - Note 35b	117,270	27,740	19,758	11,350
Loan receivable from related parties	1,380,124	2,146,881	3,208,571	5,283,259
Allowance for expected credit losses on associates and related party receivables	(3,553)	(3,308)	(3,553)	(3,308)
Other financial asset	678,750	678,750	678,750	678,750
Allowance for expected credit losses on other financial asset	(678,750)	(678,750)	(678,750)	(678,750)
Non financial assets				
Other receivables	1,987,218	1,761,665	437,425	318,048
Advance payments	2,673,129	4,598,755	-	-
WHT receivable	894,011	593,795	615,126	356,493
Prepayments - staff grants	33,228	99,672	-	73,354
Prepayments- Other	2,181,368	2,433,777	167,849	51,470
	10,236,358	12,938,560	5,483,014	7,774,540

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

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

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

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

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Trade and other receivables - Current	8,856,234	10,791,679	2,274,443	2,491,281
Trade and other receivables - Non-current(a)	1,380,124	2,146,881	3,208,571	5,283,259
	10,236,358	12,938,560	5,483,014	7,774,540

(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		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	681,455	704,904	-	-
Expected credit loss allowance (Note 7ii)	124,052	82,447	-	-
Reclassification to withholding tax receivables	(9,327)	-	-	-
Amount written off	(196,557)	(105,896)	-	-
At 31 December	599,623	681,455	-	-

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

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	3,308	5,485	3,308	5,485
Impairment charge/(writeback) Note 7ii)	245	(2,177)	245	(2,177)
At 31 December	3,553	3,308	3,553	3,308

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

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Changes in trade and other receivables	2,702,202	(4,098,177)	2,291,527	(2,564,175)
Withholding tax utilised during the period (Note 10)	(98,546)	(70,526)	(79,013)	(24,494)
Withholding tax on dividend income (Note 6(a))	9,669	5,218	82,727	78,277
Impairment loss on trade and other receivables	(124,084)	(182,097)	-	(135,191)
Impairment loss on other financial assets	-	(678,750)	-	(678,750)
Impairment loss/ (write back) on other receivables (Note 6)	(246)	2,177	682	1,816
Movement in cashflow statement	2,488,995	(5,022,155)	2,295,923	(3,322,517)

23.1 Finance lease receivables

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Gross investment in lease	79,200	524,440	-	-
Unearned finance income	(68,828)	(70,428)	-	-
	10,372	454,012	-	-
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Current asset	-	443,640	-	-
Non-current asset	10,372	10,372	-	-
Total finance lease receivable	10,372	454,012	-	-

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24. Cash and cash equivalents

	The Group		The Company	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
Cash at bank and in hand	5,063,714	7,745,838	60,327	3,651,510
Short-term deposits	35,536,797	17,526,088	21,734,746	12,191,454
Expected credit loss on short term deposit	(6,297)	(2,306)	(6,297)	(2,306)
Cash and cash equivalents	40,594,214	25,269,620	21,788,776	15,840,658

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 ₦4.8bn which represents unclaimed dividends received from the registrars as at 31 December 2024 (December 2023: ₦5.3bn).

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	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
Cash and cash equivalents	40,594,214	25,269,620	21,788,776	15,840,658
Expected credit losses on short term deposits	6,297	2,306	6,297	2,306
Balances per statement of cash flow	40,600,511	25,271,926	21,795,073	15,842,964

25. Borrowings

	The Group		The Company	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
Current borrowings				
Loans due within one year	31,159,494	24,988,599	267,608	3,322,948
	31,159,494	24,988,599	267,608	3,322,948
Non-current borrowings				
Loans due after one year (i)	10,322,116	2,460,021	5,699,716	-
	10,322,116	2,460,021	5,699,716	-
Total borrowings	41,481,610	27,448,620	5,967,324	3,322,948
As at 1 January	27,448,620	19,004,443	3,322,948	-
Repayment of borrowing during the year	(54,891,838)	(29,702,508)	(12,387,807)	(3,350,811)
Initial fair value of government grant	(358,956)	-	-	-
Exchange loss	-	292,276	-	-
Interest on loans	6,216,603	3,292,464	2,016,808	449,703
Interest paid	(5,981,923)	(2,271,746)	(1,978,086)	(146,621)
Additions	69,049,104	36,833,691	14,993,461	6,370,676
As at 31 December	41,481,610	27,448,620	5,967,324	3,322,948

The above borrowings are denominated in Naira

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The borrowings are repayable as follows:

	The Group		The Company	
	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000
Within one year	31,159,494	24,988,599	267,608	3,322,948
Between one to five years	10,322,116	2,460,021	5,699,716	-
	41,481,610	27,448,620	5,967,324	3,322,948

(i) Loans due within one year

Bank	Effective Interest Rate	The Group		Maturity date	Security
		2024	2023		
		N' 000	N' 000		
First Bank of Nigeria Ltd	32.0%	4,208,823	2,513,218	Jun-25	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
Corporate Bond (Series 1)	21.5%	267,608	-	Apr-25	No security
First Bank of Nigeria Ltd - Commercial loan	26.0%	7,317,367	7,242,240	May-25	No security
Zenith bank - Commercial loan	30.0%	6,396,984	3,019,485	Mar-25	No security
Zenith bank - Produce loan	30.0%	12,968,712	8,850,878	Jan-25	No security
FSDH	8.5%+SOFR*	-	39,830	Mar-24	Negative pledge
		31,159,494	24,988,599		

Bank	Effective Interest Rate	The Company		Maturity date	Security
		2024	2023		
		N' 000	N' 000		
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
Corporate Bond (Series 1)	21.5%	267,608	-	Apr-25	No security
		267,608	3,322,948		

The above borrowings are denominated in Naira

*SOFR: Secured Overnight Financing Rate

(ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	The Group		Maturity date	Security
		2024	2023		
		N' 000	N' 000		
Facility					
CBN DCRR - First Bank	9.0%	737,337	1,067,948	Dec-26	No Security
Famous Brands Limited**	12.0%	1,844,019	1,392,073	May-26	No Security
Corporate Bond (Series 1)	21.5%	5,699,716	-	Oct-31	No security
Bank of industry loan	14.0%	2,041,044	-	Oct-27	No Security
		10,322,116	2,460,021		

**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.

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	The Company		Maturity date	Security
		2024	2023		
		N' 000	N' 000		
Corporate Bond (Series 1)	21.5%	5,699,716	-	Oct-31	No security
		5,699,716	-		

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26. Deferred Tax

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

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Deferred tax assets	(54,183)	-	-	-
Deferred tax liabilities	6,268,133	2,907,273	3,230,497	624,641
Net Deferred tax liabilities	6,213,950	2,907,273	3,230,497	624,641

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
At 1 January	2,907,273	2,708,129	624,641	315,251
Charged to profit or loss	3,251,014	189,919	2,550,193	300,165
Charged to other comprehensive income (Note 17i)	55,663	9,225	55,663	9,225
At 31 December	6,213,950	2,907,273	3,230,497	624,641

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

The Group

Deferred tax assets

	Property, plant and equipment N'000	Allowance for impairment on receivables, equity instruments measured at FVOCI & N'000	Tax losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Total N'000
At 1 January 2024	-	-	-	-	-	-	-
(Credited)/charged to profit or loss	165,286	(220,567)	-	-	1,098	-	(54,183)
At 31 December 2024	165,286	(220,567)	-	-	1,098	-	(54,183)
At 1 January 2023	-	-	-	-	-	-	-
(Credited)/charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-	-

The Group has tax losses of ₦517,111,536 (2023: ₦796,176,172) 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. Additionally, they originated in a subsidiary that has 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.

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The Group

	Property, plant and equipment N'000	Allowance for impairment on receivables, equity instruments measured at FVOCI & Provisions N'000	Unutilised tax credits and losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Total N'000
Deferred tax liabilities							
At 1 January 2024	4,662,294	(1,071,406)	(2,058,209)	34,559	1,220,973	119,062	2,907,273
(Credited)/Charged to profit or loss	342,665	(178,922)	621,897	26,972	2,499,884	(7,299)	3,305,197
Charged to other comprehensive income (Note 17i)	-	55,663	-	-	-	-	55,663
At 31 December 2024	5,004,959	(1,194,665)	(1,436,312)	61,531	3,720,857	111,763	6,268,133
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

The Company

	Property, plant and equipment N'000	Allowance for impairment on receivables, equity instruments measured at FVOCI & Provisions N'000	Unutilised tax credits and losses N'000	Leases N'000	Exchange difference N'000	Investment properties N'000	Total N'000
Deferred tax (assets)/liabilities							
At 1 January 2024	159,535	(449,813)	(136,211)	-	932,067	119,064	624,641
(Credited)/Charged to profit or loss	36,998	(83,894)	(304,762)	-	2,909,150	(7,299)	2,550,193
Credited to other comprehensive income (Note 17i)	-	55,663	-	-	-	-	55,663
At 31 December 2024	196,533	(478,044)	(440,973)	-	3,841,217	111,765	3,230,497
Deferred tax liabilities	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

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27. Trade and other payables

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Trade payables	11,988,544	5,534,816	-	-
Sundry payables	2,692,093	2,029,762	142,129	637,886
WHT payable	948,057	683,811	442,314	436,482
VAT payable	693,594	573,409	31,060	18,855
PAYE payable	58,668	94,410	12,569	13,884
Accruals	6,128,342	4,810,456	420,751	1,463,096
Total	22,509,298	13,726,664	1,048,823	2,570,203

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 goods

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	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Movement in trade and other payables	8,782,634	374,659	(1,521,381)	941,497
Reclassification from/(to) property, plant and equipment	-	145,478	-	(297)
Reclassification of property sales proceeds	-	(250,000)	-	(250,000)
Statute barred unclaimed dividend written back	-	65,362	-	-
Reclassification from lease liability	(159,430)	-	-	-
Movement in trade and other payable in cashflow statement	8,623,204	335,499	(1,521,381)	691,550

28. Government Grants

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	135,801	224,219	-	-
Amount received during the year	358,956	-	-	-
Amortised to the statement of profit or loss	(79,237)	(88,418)	-	-
At 31 December	415,520	135,801	-	-
Current	75,489	73,748	-	-
Non-current	340,031	62,053	-	-
	415,520	135,801	-	-

Government grants relate to the benefits derived by the Group from the below market interest rate loan received from First Bank of Nigeria Limited under the Central Bank of Nigeria Differentiated Cash Reserves Requirement Scheme and Bank of Industry. The grant is recognised as current and non current liabilities in the statement of financial position, and is being amortised over the period of the loan.

29. Contract liabilities

	The Group		The Company	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
At 1 January	2,206,101	2,311,875	200,125	50,635
Released to the statement of profit or loss	(982,917)	(1,545,984)	(113,986)	(163,737)
Deferred during the year	2,335,604	1,440,210	5,474	313,227
At 31 December	3,558,788	2,206,101	91,613	200,125

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	
	2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
As at 1 January	5,768,706	5,451,070	5,063,733	4,813,878
Dividend declared	1,176,025	1,176,025	643,749	643,749
Dividend paid during the year to NCI	(532,276)	(532,276)	-	-
Dividend paid during the year to equity holders of the parent company	(643,749)	(643,749)	(643,749)	(643,749)
Amount (paid to)/due to NCI on account of UFL merger (Note 16a)	(150)	24,202	-	-
Statute barred unclaimed dividend written back	(122,381)	(52,865)	-	-
Unclaimed dividend returned by registrar	28,618	346,299	106,435	249,855
At 31 December	5,674,793	5,768,706	5,170,168	5,063,733

31. Provisions

The Group	Provisions N'000	Legal claim N'000	Decommissioning	Total N' 000
			liability N' 000	
At 1 January 2024	3,000	3,548	40,034	46,582
Additions in the year	-	223,000	6,818	229,818
Unwinding of discount	-	-	10,136	10,136
Reclassification from other payables (b)	-	100,254	-	100,254
At 31 December 2024	3,000	326,802	56,988	386,790
Current	-	326,802	-	326,802
Non-current	3,000	-	56,988	59,988
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

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 10-years government bond yield of 19% (2023: 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.

(a) Derecognition of provision for legal claim

Derecognition of provision relates to settlement amount of ₦25.9 million paid by Grand Cereals Limited as settlement for a dispute.

(b) Reclassification from other payables

The provision for an ongoing dispute for a subsidiary was reclassified from trade and other payables to provision for fairer presentation.

The Company	Legal claim 2024 N'000	Legal claim 2023 N'000
Additions(a)	190,000	-
At 31 December 2024	193,548	3,548
Current	193,548	3,548

(a) Additions to legal provision

This relates to provision made for an ongoing property dispute for which judgement was delivered in December against the Company.

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 2024 amounted to ₦1.18billion and ₦508million (2023: ₦2.96billion and ₦779million) 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.

32 Employee benefit

The Group's employee benefit provisions includes long service awards and other long term employee benefits and the valuation methods adopted for each are detailed below.

	The Group	
	2024	2023
	N' 000	N' 000
Long service award (Note 32i)	63,958	59,611
Other long term employee benefit (Note 32ii)	1,159,246	-
Total employee benefit	1,223,204	59,611

32i Long service award

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	2024 Gift Benefit Value Cap (N')
10	10%	-
15	15%	50,000
20	20%	60,000
25	25%	80,000
30	30%	256,000

The most recent actuarial valuations of the present value of the long service award obligations were done as at 31 December 2024 by the firm of Alexander Forbes Consulting Actuaries Nigeria Limited (FRC Registration Number: FRC/2012/000000000504). This was signed by Actuary Director, W. VanJaarsveld (FRC Registration Number: FRC/2021/PRO/DIR/003/00000024507). 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	
	2024	2023
	N' 000	N' 000
Service cost	5,387	6,131
Interest cost	9,146	9,625
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(3,791)	(16,278)
- Experience adjustments		
	10,742	(522)

Movement in the present value of long service awards

	The Group	
	2024	2023
	N' 000	N' 000
Opening defined benefit obligation	59,611	68,122
Current service cost	5,387	6,131
Benefit paid	(6,395)	(7,989)
Interest cost	9,146	9,625
Actuarial losses	(3,791)	(16,278)
	63,958	59,611

Actuarial assumptions

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

	Group	
	2024	2023
Key assumptions used:		
Discount rate	18.0%	14.8%
Future salary increase rate	6.0%	6.0%
Benefit/Gift rate	9.0%	9.0%
Net pre-retirement rate	11.3%	8.3%
Net pre-retirement rate (gift increase)	8.3%	5.3%

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	Mortality rate
	Males	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.

		2024	2023
		N' 000	N' 000
Base amount		59,611	59,611
Discount rate	+1%	56,830	56,830
	-1%	62,632	62,632
Future salary increase	+1%	62,807	62,807
	-1%	56,631	56,631
Mortality rate	+1%	59,428	59,428
	-1%	59,776	59,776

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.

32ii Other Long term employee benefit

During the year, a long term incentive plan was approved and implemented for Grand Cereals limited, CAP Plc, Livestock Feeds Plc and UAC Foods Limited with the primary purpose of incentivising growth across the businesses and staff retention.

Under the scheme, participants have a target incentive amount over the life of the plan (5 years), based on achievement of target profits set with reference to the business plan. The cumulative excess profit is calculated after 3 and 5 years, with the target incentive amounts being earned if the cumulative plan earnings are achieved. Proportionately higher amounts can be earned if the target is exceeded. The whole incentive pot is tested after 5 years with half tested after 3 years and any value earned after 3 years is deducted from the value earned after 5 years (with a zero floor on the net earnings after 5 years).

Movement in the present value of other long term employee benefits

	The Group	2023
	2024	N' 000
	N' 000	N' 000
Opening	-	-
Current service cost	1,159,246	-
Closing	1,159,246	-

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33. Share Capital
Company

	31 December 2024	Amount	31 December 2023	Amount
	Number	N' 000	Number	N' 000
	000		000	
Issued and fully paid:				
Ordinary shares of 50k each	2,926,132	1,463,065	2,926,132	1,463,065
Total called up share capital	2,926,132	1,463,065	2,926,132	1,463,065

	31 December 2024	Amount	31 December 2023	Amount
	Number	N' 000	Number	N' 000
	000		000	
Ordinary Shares				
Opening balance	2,926,132	1,461,065	2,926,132	1,461,065
Closing balance	2,926,132	1,461,065	2,926,132	1,461,065

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

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.

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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 2024 expense recognized in profit or loss in relation to the LTIP is as shown in note 8(f(i)).

33i. Investment in scheme shares

On the first measurement date of 1 July 2024, the condition for the award of the LTIP shares was met and after board approval, a total of N2.6 billion was used to purchase shares for eligible employees by the Trustees. Of this amount, N1.4 billion worth of shares were allocated to employees as settlement for the 2024 vested shares, while the remaining shares valued at N1.2 billion are being held by Trustees for the benefit of the employees' Long Term Incentive Plan.

The number and weighted-average exercise prices of shares has been detailed in table below:

Description of shares	2024		2023	
	Number of shares	Weighted average share price	Number of shares	Weighted average share price
Outstanding at the beginning of the period	-	-	-	-
Purchased during the period	107,587,711	22.10	-	-
Forfeited during the period	-	-	-	-
Alloted during the period	(54,765,411)	20.50	-	-
Unallocated outstanding at the end of the period	52,822,300	23.51	-	-

Reconciliation of investment in scheme shares to the statement of cashflow	N' 000
Shares purchased	2,377,366
Tax on earned benefit settled in cash	276,242
Cash balance with Trustees	2,737
Amount in cashflow	2,656,345

Reconciliation of amount disclosed in statement of changes in equity	
Alloted shares	1,122,691
Tax on earned benefit settled in cash	276,242
Total value received by employees	1,398,933

Charged to:

Share based reserve	272,087
Retained earnings	1,126,846
	1,398,933

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

	Note	Group		Company	
		2024 N' 000	2023 N' 000	2024 N' 000	2023 N' 000
Profit/(Loss) before tax from continuing operations		25,547,275	12,340,054	9,301,729	9,914,362
Adjustment for net finance income		(5,959,223)	(2,387,818)	(7,700,729)	(3,377,129)
Operating profit		19,588,052	9,952,236	1,601,000	6,537,233
<i>Adjustments to reconcile operating profit to net cash flows</i>					
Amortisation of intangible assets	8a	493,822	500,946	14,908	13,625
Dividend income	6	(96,688)	(52,185)	(827,271)	(782,767)
Depreciation charge on property, plant and equipment	8a	3,283,077	2,960,274	181,492	155,354
Depreciation charge on right of use asset	8a	716,684	488,692	-	-
Write off of inventories to net realisable value	8a	153,633	387,658	-	-
Expected credit loss on debt securities	7ii	14,457	1,215	14,457	1,215
Expected Credit Loss/(Write back) on related party receivables	7ii	246	(2,177)	(682)	(1,816)
Expected credit loss on trade receivables	7ii	124,052	82,447	-	-
Expected credit loss on other receivables	7ii	32	99,650	-	135,191
Expected credit loss on other financial assets	7ii	-	678,750	-	678,750
Expected credit loss on short term deposit	7ii	3,990	1,588	3,990	1,588
Impairment charge on property, plant and equipment	8a	136,740	20,000	-	-
Net fair value (gain)/losses on investment properties	15	(19,682)	186,371	(19,682)	186,371
Profit on sale of investment properties	7i	(26,924)	(696,052)	(26,924)	(696,052)
Unwinding of government grant	7i	(79,237)	(88,418)	-	-
Share of profit of associate	18.1	(722,595)	(859,603)	-	-
Loss on lease terminated	8a	1,473	2,468	-	-
Loss/(Gain) on lease modification	7i	12,775	(139,963)	-	-
Write-off of property, plant and equipment	7i	37,612	-	-	-
Other long term employee benefit	32ii	1,159,246	-	-	-
Long service award charge/(gain) during the year	32	10,742	(522)	-	-
Long service award paid	32	(6,395)	(7,989)	-	-
Loss on disposal of equity investment	7i	-	62,653	-	62,653
Share based payment	8(f)	207,157	243,939	207,157	243,939
Profit on sale of tangible PPE	7i	(145,230)	(7,114,667)	(24,861)	(6,999,525)
Profit on sale of non current asset held for sale	7i	(51,495)	(2,873)	(43,528)	-
Operating cash flows before movements in working capital		24,795,544	6,704,438	1,080,056	(464,241)
<i>Movements in working capital:</i>					
Changes in inventories	22(a)	(28,201,236)	(2,908,553)	-	-
Changes in trade and other receivables and prepayments	23	2,488,995	(5,022,153)	2,295,923	(3,322,517)
Changes in finance lease receivables		443,640	(443,040)	-	-
Changes in contract liabilities		1,352,687	(105,774)	(108,512)	149,490
Changes in trade and other payables	27(a)	8,623,204	335,499	(1,521,381)	691,550
Net movement in provision		330,072	(19,916)	190,000	-
Changes in right of return asset		25,815	(39,639)	-	-
Changes in refund liability		(45,871)	66,908	-	-
Net cash generated from/(used in) operations		9,812,850	(1,432,230)	1,936,086	(2,945,718)

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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 N1.8billion (2023: N924 million).

This has been included in the revenue of the Company.

	Company	
	2024	2023
	N' 000	N' 000
Grand Cereals Limited	452,493	347,515
Chemical & Allied Products PLC	354,261	232,745
UAC Foods Ltd	581,890	164,710
Livestock Feeds PLC	397,222	179,355
	1,785,866	924,325

(b) Rental income

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

	Company	
	2024	2023
	N' 000	N' 000
UPDC Plc	13,374	13,115
UAC Restaurants Ltd	8,800	2,688
Grand Cereals Limited	1,600	1,600
UAC Foods Ltd	8,694	8,695
	32,468	26,098

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

	Company	
	2024	2023
	N' 000	N' 000
Receivable/(Payable):		
Subsidiaries		
Chemical & Allied Products PLC	362,625	234,334
Grand Cereals Limited	104,524	641,202
UAC Restaurants Limited	708,463	343,802
Livestock Feeds PLC	(59,211)	32,983
UAC Foods Ltd	(75,945)	405,890
	1,040,456	1,658,210
Associates		
UPDC PLC	38,271	28,717
MDS Logistics Ltd	(18,513)	(17,367)
	19,758	11,350
Employee Post employment plan		
UNICO Gratuity Fund	26,782	29,210
	1,086,996	1,698,771

(d) Intercompany loan

	Company	
	2024	2023
	N' 000	N' 000
UPDC PLC	1,380,124	2,146,881
Grand Cereals Limited	-	381
UAC Foods Ltd	-	1,920,379
UAC Restaurants Limited	1,828,447	1,215,617
	3,208,571	5,283,259

All trading balances will be settled in cash.

The expected credit loss relating to related party receivables as at 31 December 2024 was N3,553,222 (2023: N3,308,320) and the net credit to the profit or loss in respect of doubtful related party receivables was N244,902.

(e) Key Management Personnel

Total transactions with key management personnel amounted to N1.3bn during the year (2023:N513mn).

36. Capital commitments

There were no capital commitments as at 31 December 2024 (2023: Nil)

37a. Non-current assets held for sale/distribution

Following the approval by the Board of Directors in November 2019, part of a manufacturing facility within the Paints segment and investment property of the Packaged Food & Beverages segment was presented as non-current asset held for sale. As at 30 November 2024, assets from Paints manufacturing facility worth N36 million were sold resulting in a gain on disposal of N9.7 million which was recognised in other operating income. Due to the inability to complete sale of the Paints segment land and building within 12 months, the undisposed has been reclassified back to Property, plant and equipments while the management of the Packaged Food & Beverages segment remains committed to disposing the investment property, hence the continued classification of this asset as held for sale.

During the period, UAC reclassified 120 million UPDC Plc shares, representing 1.5% of UAC's holding, with a carrying value of N61.1 million, as non-current assets held for sale.

As at 31 December 2024, about 45 million UPDC shares had been sold with carrying value of N22.9 million, generating a gain of N41.7 million recorded in UAC's other operating income. The sale of the remaining 75 million shares held for sale is expected to be completed within the next 12 months.

As at the reporting date, UAC's stake in UPDC Plc was 42.6%, 42.2% is recognized as investment in the associate company while 0.4% is classified as non-current assets held for sale.

Group

Movement in non-current assets held for sale/distribution

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Opening balance	530,714	541,850	-	-
Transfer from investment in associates (UPDC Plc)	61,077	-	56,400	-
Cost of asset disposed	(59,075)	(11,136)	(21,130)	-
Reclassification to PPE (Note 13)	(190,838)	-	-	-
Closing balance	<u>341,878</u>	<u>530,714</u>	<u>35,270</u>	<u>-</u>

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 - Edibles & Feed (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 16,849 shareholders who hold a 42.15% (in aggregate) stake in the company. The profit allocated to NCI for the year ended 31 December 2024 was ₦1.6billion (2023: ₦1.1billion) and dividends paid to NCI in 2023 was ₦532million (2023: ₦523million). As at 31 December 2024, the accumulated NCI in the subsidiary was ₦4billion (2023: ₦2.9billion).
- (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 profit allocated to NCI for the year ended 31 December 2024 was ₦290 million (2023: loss of ₦649 million) and no dividend was paid to NCI in 2024 (2023: Nil). As at 31 December 2024, the accumulated NCI in the subsidiary was ₦884 million (2023: ₦594million).
- (c) Livestock Feeds PLC (LSF) – Livestock Feeds PLC is a company involved in the manufacturing and sale of animal feeds and concentrates. The company's principal place of business is Lagos State, Nigeria. The non controlling interests are 20,899 shareholders who hold a 26.71% (in aggregate) stake in the company. The profit allocated to NCI for the year ended 31 December 2024 was ₦456million (2023: loss of ₦61million) and no dividend was paid (2023: Nil). As at 31 December 2024, the accumulated NCI in the subsidiary was ₦483million (2023: ₦26million).
- (d) UAC Restaurants Limited (UACR) – UAC Restaurants Limited is a quick service restaurant company that operates through the Mr Bigg's 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 2024. The loss allocated to Non-Controlling Interest (NCI) for the year 2024 is ₦633million (2023: Loss of ₦621million) and no dividend was paid. As at 31 December 2024, the accumulated NCI in the subsidiary was a net loss of ₦1.7 billion (2023: net loss of ₦1.1 billion).

Summarised financial information

	CAP	GCL	LSF	UACR
31-Dec-24	N'000	N'000	N'000	N'000
Non-current assets	3,661,374	10,573,270	2,383,613	1,510,220
Current assets	16,015,798	28,566,196	20,948,242	1,184,237
Current liabilities	7,910,709	25,557,050	19,562,071	1,549,466
Non-current liabilities	1,129,983	4,191,502	385,113	4,689,730
Revenue	36,362,182	61,147,933	41,669,570	2,511,583
Profit/(Loss) before tax	6,064,248	1,984,880	2,847,352	(1,278,235)
Total comprehensive income/(loss)	3,807,257	985,280	1,934,431	(1,291,897)

	CAP	GCL	LSF	UACR
31-Dec-23	N'000	N'000	N'000	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)

39. Events after the reporting period

There are no subsequent events that could have had a material impact on the financial statements of the Group as at 31 December 2024

40. Fair Value MeasurementsFair value of investment property

An independent valuation of the group's investment property was performed by valuers to determine the fair value of investment properties as at 31 December 2024. 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:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- 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 valuesInvestment Property

Level 3 fair values for investment property has been derived using the open market value. To obtain the open market value, the following were considered, a willing buyer, a willing seller, the property is freely exposed to the market, a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market. The open market value methodology falls within the "market approach" as stipulated by IFRS 13.

Fair value of investment property (continued)

Fair value measurements as at 31 December 2024 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)
	N'000	N'000	N'000
Recurring fair value measurements			
Investment Property			
UACN Company	-	-	1,117,635
Group			1,117,635

Reconciliation of level 3 fair values

2024

	Investment Property (Group) N'000	Investment Property (Company) N'000
Opening balance	1,190,629	1,190,629
Disposals	(92,676)	(92,676)
Net gain from fair value adjustment on investment property	19,682	19,682
Closing Balance	<u>1,117,635</u>	<u>1,117,635</u>

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	<u>1,190,629</u>	<u>1,190,629</u>

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 2024 (2023: Diya Fatimilehin(FRC/2013/NIESV/00000000754)). The valuation report for 2024 was signed by the firm's managing partner Fatimilehin Adegboyega (FRC/2013/NIESV/00000000754) (2023: Mr. Fatimilehin Adegboyega (FRC/2013/NIESV/00000000754)).

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 2024	Fair value as at 31 December 2023	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment Property - UACN Company	1,117,635	1,190,629	Fair Market Value Approach	The price range used per square metre are N6,143 - N215,382 (2023:N6,004 - N205,126) 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-24			
	31-Dec-24		31-Dec-23	
Share Price at end of reporting period:	31.50		12.85	
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	146,734,619	5.01%	145,900,431	4.99%
Total Substantial Shareholdings	905,717,691	30.95%	904,883,503	30.92%
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)	59,941,884	2.05%	46,999,122	1.61%
Mr. Folasope Aiyesimoju (Indirect - representing Themis Capital Management and AM&P Advisory services)	70,780,314	2.42%	70,780,314	2.42%
Mrs. Babafunke Ijaiya-Oladipo (Direct)	6,693,933	0.23%	250,326	0.01%
Mr. Adebolanle Badejo (Direct)	6,643,607	0.23%	-	0.00%
Mr. Khalifa Biobaku (Indirect - representing Themis Capital Management and Dalio Property Development Limited)	-	-	-	-
Mrs. Suzanne Iroche	-	-	-	-
Mr. Bolaji Odunsi	-	-	-	-
Mr. Karl Toriola	-	-	-	-
Total Directors' Shareholdings	179,059,738	6.12%	153,029,762	5.23%
Other Influential Shareholdings				
Cardinalstone Account CPM	-	0.00%	124,666,284	4.26%
UBA nominees Ltd - Trading	-	0.00%	84,814,811	2.90%
ZPC/SIPML RSA Fund II - Trading A/C	-	0.00%	75,173,062	2.57%
FPCNL/NPF Fund II - Trading A/C	-	0.00%	80,000,000	2.73%
UBA Nominee/Tangerine Life Insurance Investment	-	0.00%	55,783,885	1.91%
SITLUAC LTIP	52,822,300	1.81%	-	0.00%
Total Other Influential Shareholdings	52,822,300	1.81%	420,438,042	14.37%
Free Float in Units and Percentage	1,788,531,926	61.12%	1,447,780,348	49.48%
Free Float in Value	₦ 56,338,755,669.00		₦ 18,603,977,471.80	
Declaration:				
UAC of Nigeria PLC with a free float percentage of 61.12% as at 31 December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

UAC of Nigeria PLC

Other national disclosures

Statement of Value Added
For the year ended 31 December 2024

	Group				Company			
	2024		2023		2024		2023	
	=N=Million	%	=N=Million	%	=N=Million	%	=N=Million	%
Turnover	196,901		120,528		2,030		1,142	
Share of associated companies' profits	723		860		-		-	
Dividend income	97		52		827		783	
Interest received & other income	15,825		14,764		13,239		12,144	
Cost of materials and services:								
Imported	(11,828)		(9,394)		-		-	
Local	(150,922)		(95,713)		(1,598)		(1,816)	
Value Added	50,795	100	31,097	100	14,499	100	12,051	100
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	17,596	35	11,630	37	2,913	20	1,451	12
To pay government								
Taxes	8,836	17	3,076	10	2,645	18	1,375	11
To pay providers of capital								
Interest charges	3,558	7	3,533	11	2,165	15	517	4
To pay shareholders								
Dividend	644	1	644	2	644	4	644	5
Retained for replacement of assets and business growth:								
Depreciation and Amortisation	4,494	9	3,950	13	196	1	169	1
Non-controlling interest	1,772	3	(279)	(1)	-	-	-	-
To augment reserves	13,895	27	8,544	27	5,936	41	7,896	66
	50,795	100	31,097	100	14,499	100	12,051	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 2024

Naira millions	2020	2021	2022	2023	2024
Funds Employed					
Equity attributable to equity holders of the Company	52,006	45,981	41,964	50,747	62,737
Non-controlling interest	8,670	4,857	3,317	2,434	3,673
Creditors due after one year	6,775	5,349	5,980	6,673	19,352
Provisions	192	93	32	7	327
	67,643	56,280	51,292	59,861	86,089
Employment of funds					
Property, plant and equipment, Intangible assets, Investment Property and Other non-current assets	21,012	22,224	25,043	26,211	28,099
Long term investments	15,381	11,238	11,259	13,851	17,702
Net current (liabilities) / assets	26,221	13,650	4,724	10,976	32,470
	62,614	47,112	41,027	51,038	78,271
Capital expenditure	4,496	3,466	5,981	4,583	5,213
Depreciation	2,074	2,172	2,703	3,950	4,494

Results	2020	2021	2022	2023	2024
	Restated				
Turnover	81,358	101,377	109,270	120,528	196,901
Profit from operations	3,597	5,014	(2,384)	9,093	18,865
Share of profit of associated companies	973	(894)	103	860	723
Taxation	(1,440)	(1,440)	823	(3,432)	(9,237)
Profit/ (loss) after tax	2,587	2,587	(3,993)	8,908	16,311
Profit/ (loss) for the year retained	2,363	(1,651)	(3,081)	8,544	13,895
Share prices : High (kobo)	1,105	1,145	1,450	1,800	3,700
Low (kobo)	540	710	840	790	1,060
Earnings per share (kobo)	62	62	(107)	314	497
Earnings per share (kobo) - adjusted	62	62	(107)	314	497
Net assets per share (kobo)	2,106	1,764	1,547	1,817	2,270

Other national disclosures

Company five-year financial summary Year ended 31 December 2024

Naira millions	2020	2021	2022	2023	2024
Funds Employed					
Equity attributable to equity holders of the Company	36,680	31,805	31,287	39,166	43,154
Creditors due after one year	455	456	315	625	8,930
Provisions	90	90	4	4	194
	37,225	32,351	31,605	39,795	52,278
Employment of funds					
Property, plant and equipment	888	933	864	803	991
Long term investments	14,616	18,536	19,037	19,128	19,129
Net current assets/(liabilities)	7,863	(2,254)	(2,111)	3,737	14,757
	23,367	17,215	17,789	23,668	34,877
Capital expenditure	215	160	219	221	382
Depreciation	136	136	160	155	181
Results					
	2020	2021	2022	2023	2024
	Restated				
Turnover	758	877	1,009	1,142	2,030
Profit from operations	(3,805)	1,481	442	6,537	1,601
Taxation	(448)	(143)	(49)	(1,375)	(2,722)
Profit after tax	(2,510)	2,345	682	8,539	6,580
Dividend - proposed	(3,458)	(1,873)	(644)	(644)	(644)
Profit for the year retained	(3,232)	(1,113)	(1,193)	7,896	4,809
Share prices : High (kobo)	1,105	1,145	1,450	1,800	3,700
Low (kobo)	540	710	840	790	1,060
Market capitalisation (period-end)	20,889	27,372	29,993	37,601	92,173
Dividend per share (kobo)	120	65	22	22	22
Dividend per share (kobo) - adjusted	120	65	22	22	22
Earnings per share (kobo)	90	63	24	295	225
Earnings per share (kobo) - adjusted	90	63	24	295	225
Net assets per share (kobo)	2,106	1,104	1,069	1,330	1,475
Dividend cover (times)	0.8	1.0	1.1	13.4	10.2