



## 2012 ANNUAL REPORT & FINANCIAL STATEMENTS



**...doing good**

**UAC OF NIGERIA PLC** RC341

**2012 ANNUAL REPORT  
&  
FINANCIAL STATEMENTS**



**...doing good**

UAC of Nigeria Plc  
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## VISION

**To be number one  
in our chosen  
markets, providing  
exceptional value to  
our customers**

## MISSION

**To grow our top-line  
at twice the rate  
of GDP growth in  
Nigeria at a blended  
EBIT profitability  
of 15%**

## SHARED VALUES

**Customer Focus**  
Respect for the Individual  
**Integrity**  
Team Spirit  
**Innovation**  
Openness &  
Communication

UAC of Nigeria Plc (UAC) is a leading diversified company, operating in the food and beverages, real estate, paint and logistics sectors of the economy. The Company has been active on the Nigerian economic landscape since 1879. UAC's brand portfolio includes leading brands such as Gala Sausage Roll, Mr Biggs, Village Kitchen, Snaps, Funtime Coconut Chips, Supreme Ice cream, Delite Fruit Juice, Swan Natural Spring Water, Gossy Warm Spring Water, Dulux, Grand Soya Oil, Grand Groundnut Oil, Vital Feeds and Livestock Feeds. UAC has evolved into a Holding Company with Subsidiary Companies. It has forged strong regional and international partnerships in a bid to enhance sustainable growth. The emergence of UAC Foods Limited – a business partnership in which Tiger Brands of South Africa holds 49% of the equity and UAC 51%, attests to this new strategic direction. UAC has recently entered into another partnership with Imperial Mobility BV under which it bought 49% of UAC's 100% equity in MDS Logistics PLC.

UAC's business portfolio includes the following Companies: UACN Property Development Company Plc (UPDC), the first Company in the real estate sector to be quoted on the Nigerian Stock Exchange; MDS Logistics PLC, a foremost integrated logistics company, with fast-growing investments in the development of pharmaceutical distribution hubs in key locations across the country and Warm Spring Waters Nigeria Limited, manufacturer of "GOSSY" Spring Water with the bottling plant located in Ikogosi-Ekiti, Ekiti State. UAC has majority stakes in Grand Cereals Limited, Chemical and Allied Products PLC (CAP), Livestock Feeds PLC, UAC Registrars Limited and UNICO CPFA Limited, a Closed Pension Fund Administrator.

UAC has initiated a pro-active investor relations programme through a dynamic management approach to ensure that the Company seizes opportunities raised by its current business model. So far, the Company's strategic

partnership is directed at enhancing operational excellence, delivering capabilities and positions as well as consolidating and building market share in a competitive and fast-growing market.

The Company's Corporate Social Responsibility (CSR) programme – The Goodness League – has supported education through infrastructural intervention and support for Legacy Schools across the country and the organization of Free Weekend Classes for Senior Secondary School Students. This initiative has benefitted educational institutions in the South West, North West, South South and North Central geo-political zones of the country.

UAC has demonstrated a capacity to respond to the dynamics of the operating environment with timely strategies and business models that seek growth and true business transformation.

	Group			Company		
	2012 N'ooo	2011 N'ooo	% change	2012 N'ooo	2011 N'ooo	% change
Revenue	69,632,321	59,637,822	17	715,227	633,423	13
Operating profit	11,526,022	7,715,139	49	2,495,259	7,955,156	(69)
Finance income	1,751,801	953,051	84	1,037,817	814,536	27
Other gains / (losses)	171,443	1,271,537	(87)	591,586	767,412	(23)
Profit before taxation	10,745,391	6,994,489	54	3,501,672	8,684,357	(60)
Taxation	(3,642,440)	(3,586,804)	2	(671,363)	(1,202,872)	(44)
Profit from continuing operations	7,102,951	3,407,685	108	2,830,309	7,481,486	(62)
Loss from discontinued operations	-	-	-	-	(1,844,913)	-
Profit for the year	7,102,951	3,407,685	108	2,830,309	5,636,573	(50)
Other comprehensive income for the period net of taxation	-	483,173	-	-	237,131	-
Total comprehensive income for the period	7,102,951	3,890,858	83	2,830,309	5,873,704	(52)
Total Equity	60,601,259	57,065,093	6	16,531,794	16,102,567	3
Total equity and liabilities	122,975,594	121,593,623	1	21,703,643	23,843,291	(9)
Cash and cash equivalents	4,390,460	4,376,471	0	5,817,903	9,312,060	(38)
Earnings per share (kobo) - Basic	257	37	602	257	37	602
Dividend per share (kobo) - Proposed	160	150	7	160	150	7
Proposed bonus	1 for 5	-	-	1 for 5	-	-
NSE quotation as at December 31 (kobo)	4,200	2,970	41	4,200	2,970	41
Number of shares in issue ('ooo)	1,600,720	1,600,720	-	1,600,720	1,600,720	-
Market capitalisation as at December 31 (N'ooo)	67,230,254	47,541,394	41	67,230,254	47,541,394	41



## Chairman's Statement

## Chairman's Statement contd.



Distinguished Shareholders, Ladies and Gentlemen,

I welcome you to the 2013 Annual General Meeting (AGM) of our company, UAC OF NIGERIA PLC and present to you the Annual Report and Financial Statements of the Company for the financial year ended 31st December 2012.

However, before presenting the financial report of the company, I would like to highlight the significant developments during the year that shaped our operating environment.

### 2012 ECONOMIC AND BUSINESS ENVIRONMENT

The global economy remained sluggish in 2012 with European recession, slow recovery in the US and other developed economies. There was also slow growth in

emerging and developing economies.

Oil prices remained within a \$90 - \$110 per barrel range, thus helping to sustain our national budget. The International Monetary Fund (IMF) revised its global growth projections downwards to 3.3% and 3.5% for 2012 and 2013 respectively, with Sub-Saharan Africa projected to grow at 5% and 5.7% in these periods.

The domestic economic environment was as usual mixed with both positive and negative factors. The positive factors included relatively stable macro-economic indices, Gross Domestic Product (GDP) growth rate was about 6.5%, whereas exchange rate at year end was N155.77/\$ and the nation's foreign reserves accumulated, rising to \$42 billion by year end. The capital market grew by 34% indicating strong recovery after the slump which commenced in 2008.

The Nigerian Sovereign Investment Authority's Board was formally established and a start-up equity of \$1 billion was instituted; agriculture reforms progressed and the implementation of the power sector road map continued against many odds

indicating imminent privatization of the sector. Unfortunately, United Nations Conference on Trade and Development (UNCTAD) data showed that while Foreign Direct Investment (FDI) into Africa increased by 5% to \$45.8bn in 2012, Nigeria's FDI declined by 40.8% to \$5.3bn in 2012 probably reflecting declined oil sector investment, insecurity and political risk, infrastructure deficit and the need for additional sectoral reforms.

Challenges, however, remained with inflation at 12%, weak infrastructure, high lending rates by banks, high energy and logistics costs for businesses, low purchasing power as a result of endemic poverty rising over 60%, and unemployment of 23%. Massive flooding in many parts of the country resulted in huge economic cost and caused significant social dislocation and a slowdown in agricultural-sector growth. The challenges to the business environment was further aggravated by the incidence of insecurity across the country. In spite of these constraints, our company continued to sustain its enviable performance driven by a focus on solutions rather than the challenges.

As you are aware, in July 2010, Federal Government approved International

Financial Reporting Standards (IFRS) as the basis for the preparation and presentation of financial statements in Nigeria with effect from 2012. In compliance with the Financial Reporting Council of Nigeria Act 2011, the financial statements being presented to you have been prepared in accordance with the requirements of the IFRS.

### FINANCIAL PERFORMANCE

In spite of the constraints of the environment in 2012, our Company continued to sustain its performance driven by our resolve and capacity to manage the dynamics in our operating environment. This notwithstanding, our Company recorded a commendable top-line growth of 17% from N59.6 billion in 2011 to N69.6 billion in 2012, resulting largely from the volume growth achieved in Grand Cereals Limited, UAC Foods Limited and UACN Property Development Company Plc (UPDC).

Due to rising raw material and other operational costs and the inability to recover such costs through price increases, the business had challenges in margins. We, however, undertook operational reviews in our food businesses to improve efficiencies. Operational Profit grew by 49%

to N11.5 billion in the year ended 31st December 2012. Profit Before Taxation was N10.7 billion up from N6.9 billion in 2011 while Profit After Taxation stood at N7.1 billion.

We have restructured the two remaining Divisions of the company - MDS Logistics and UAC Restaurants - into limited liability companies. UAC has recently entered into another partnership with Imperial Mobility BV under which it bought 49% of UAC's 100% equity in MDS Logistics PLC. We are currently working on the terms of agreement with a potential strategic investor in UAC Restaurants Limited.

We have also made significant progress in our growth drive into adjacent categories with the conclusion of our acquisition of majority stakes in Livestock Feeds Plc. Discussions are progressing with Portland Paints and Products Plc. These acquisitions are in line with our strategy of building a portfolio of brands and businesses with strong growth potentials in the Nigerian economy.

#### DIVIDEND AND BONUS

As a result of the impressive financial performance recorded in 2012 and in line with our dividend policy, the Board is pleased to recommend for your approval a dividend of N2.56 billion or N1.60 per

ordinary share of 50 kobo each. Additionally, a Bonus Issue of 1 for every 5 ordinary shares held is being recommended.

#### BOARD CHANGES

Since the last Annual General Meeting Chief Samuel Olaniyi Bolarinde attained the age of 70 years and has retired from the Board having served as a Director for 12 years. On your behalf, I wish to thank Chief Bolarinde for his invaluable contributions and meritorious service to your Company. We wish him success in all his future endeavours. I also wish to inform you that Dr Suleyman Abdu Ndanusa, OON, has resigned his position as a Director of the Company. On your behalf, I wish to congratulate Dr Ndanusa on his recent appointment as the Chairman of the Board of Directors of the Securities & Exchange Commission. In order to fill the vacancies that have arisen, the Board appointed two members of the Board of Directors of two subsidiary Companies, namely Chemical & Allied Products Plc and UACN Property Development Company Plc to the Board of UAC of Nigeria Plc. The new Board appointees are Dr Umaru Alka, formerly of CAP Plc Board and Mr Babatunde Oladele Kasali, formerly of UPDC Plc Board. Please join me to congratulate them on their



appointment.

They will be presented for election at this meeting.

#### OUTLOOK FOR 2013

The divergence in growth between advanced and emerging economies is projected to continue in 2013.

The National Assembly passed the 2013 budget of N4.9 trillion relatively early and the document was signed into law in February 2013. The budget assumes an oil price benchmark of \$79 per barrel and oil production of 2.5 million barrels per day. It also assumes a Naira/Dollar exchange rate of N160/\$. We look forward to a successful execution of the budget so that the economy will receive the spending boost.

With the government sustaining its policy reforms and benefits from the investment in infrastructure, we expect the economy to maintain its GDP growth rate above 6% in 2013. The manufacturing sector has been projected to grow above its 2012 landmark of 7.8%. We also expect the Central Bank of Nigeria to maintain policies that will ensure a stable Naira as well as keep inflation within single digit in the interest of both manufacturers and consumers.

It is expected that power sector privatization will be progressed and the power entities handed over to the

successful bidders this year. We also hope that initiatives in the transportation sector will impact on businesses in the course of the year, in terms of improved capacity utilization and lower operating costs.

Efforts to improve the investment climate such as ports and customs clearance, incentives for businesses, land and building approvals, and related issues should be accelerated in 2013 in order to improve business performance and competitiveness. It is expected that the government - both at Federal and state levels - and other stakeholders will provide viable solutions to the prevailing insecurity in the country in order to attract and sustain investments.

We will over the next three years focus on consolidating our Holding Company architecture, which is aimed at delivering empowered and capable subsidiaries in order to assure sustained shareholder value enhancement. Our company will continue to sustain growth in all our existing and acquired businesses despite the environmental constraints and in line with our mission to grow our topline significantly above Nigeria's annual GDP growth rate.

UAC Foods Limited will further grow capacity in response to increasing demand.

Grand Cereals Limited will also increase capacity in the Feeds category. We expect to conclude other strategic partnership initiatives in the course of the year.

Fellow shareholders, we count on your support to enable the achievement of our company's transformation objectives that will guarantee sustainable returns to all shareholders.

### APPRECIATION

Distinguished shareholders, let me use this opportunity to express the gratitude of the Board of Directors to the staff and management team for their dedication in achieving the corporate objectives of the company in the year under review. I must also appreciate our valued customers for their unflinching loyalty and continued patronage and assure them of our commitment to serve them even better.

Distinguished ladies and gentlemen, I thank you most sincerely for your kind attention.

Senator Udoma Udo Udoma, CON  
CHAIRMAN  
FRC/2013/NBA/00000001796

NOTICE IS HEREBY GIVEN THAT the next Annual General Meeting of the members of UAC of Nigeria Plc will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos State on Wednesday, 26th June, 2013 at 10.00 o'clock in the forenoon in order to transact the following businesses:

### Ordinary Business

1. Lay before the Members the Report of the Directors, the Consolidated Statement of Financial Position of the Company as at 31st December 2012, together with the Consolidated Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
2. Declare a Dividend
3. Re-elect/Elect Directors
4. Authorize the Directors to fix the remuneration of the Auditors
5. Elect Members of the Audit Committee Special Business
6. Fix the remuneration of the Directors.
7. Capitalisation

To consider and if thought fit pass the following as an ordinary resolution-

"That the Directors having so recommended, it is desirable to capitalise the sum of N160,072,000.00 out of the amount standing to the credit of the share premium account in the books of the Company, and accordingly that such sum be set free for distribution amongst the

members on the register of members as at the close of business on 24th May, 2013, in proportion to their respective shareholdings in the Company at the time, on condition that the same not be paid in cash but be applied in paying in full at par of the un-issued ordinary shares of 50-kobo each to be allotted, distributed and credited as fully paid to and amongst such members or their respective nominees in the proportion of one (1) new share for every five (5) shares held at the close of business on 24th May, 2013 and such shares shall rank pari-passu with existing issued ordinary shares of the Company and the Directors are hereby authorized to give effect to this resolution accordingly".

### Proxy

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him and such a proxy need not be a member of the Company. A proxy form is enclosed and if it is to be valid for the purposes of the meeting, it must be completed





and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Dated this 24th day of April, 2013

By Order of the Board



Godwin A Samuel, Esq.,  
Company Secretary/Legal Adviser  
FRC/2013/NBA/00000002608

Registered Office  
UAC House  
1-5 Odunlami Street  
Lagos  
01-738 8206  
info@uacnplc.com

## NOTES

### Dividend & Bonus Issue

In view of the results, the Directors have recommended to members the payment of a dividend of N1.60 per share; and a bonus issue of 1 for every 5 shares held by shareholders who are on the Register of Members at the close of business on 24th May, 2013. The resolutions to this effect will be put to the meeting for the approval of members.

### Dividend Warrants

If payment of the dividend is approved, the warrants will be posted on 27th June, 2013 to shareholders whose names are on the Register of Members at the close of business on Friday 24th May, 2013.

### Closure of Register and Transfer Books

The Register of Members and Transfer Books

will be closed from 27th to 31st May, 2013 (both dates inclusive) for the payment of the dividend.

### Audit Committee

The Audit Committee consists of three (3) shareholders and three Directors. Any member may nominate a shareholder as a member of the Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one days before the Annual General Meeting. Nominators should note that under the Code of Corporate Governance in Nigeria, members of the Audit Committee should have basic financial literacy and should be able to read financial statements. At least one member should have knowledge of accounting or financial Management.

### Unclaimed Share Certificates and Dividend Warrants

Shareholders are hereby informed that a sizeable quantity of share certificates and dividend warrants have been returned to the Registrars as unclaimed. Some dividend warrants have neither been presented to the Bank for payment nor to the Registrar for revalidation. Affected members are by this notice please advised to contact the Company Secretary or the Registrars (UAC Registrars Limited) or call at the Registered Office of the Company during normal business hours.

### E-Dividend/Bonus

Pursuant to the directive of the Securities and Exchange Commission notice is hereby given to all shareholders to open bank accounts, stock-broking accounts and CSCS accounts for the



purpose of e-dividend/bonus. Forms are attached to this Annual report for completion by all shareholders to furnish the particulars of these accounts to the Registrar (UAC Registrars Limited) as soon as possible.

Board of Directors, Professional Advisers etc

### Board of Directors

Senator Udoma Udo Udoma CON  
Non-Executive Chairman  
Mr. Larry Ephraim Ettah  
Group Managing Director/CEO  
Mr. Abdul Akhor Bello

Executive Director/Chief Financial Officer  
Mr. Joseph Ibrahim Dada

Executive Director, Corporate Services  
Dr Okechukwu Enyinna Enelamah  
Non-Executive  
Mrs. Awuneba Sotonye Ajumogobia  
Non-Executive  
Chief Samuel Olaniyi Bolarinde  
Non-Executive (resigned wef 18/9/12)  
Dr Suleyman Abdu Ndanusa, OON  
Non-Executive (resigned wef 27/3/13)  
Dr Umaru Alka  
Non-Executive (appointed wef 27/3/13)  
Mr Babatunde Oladele Kasali  
Non-Executive (appointed wef 27/3/13)

### Retirement by Rotation

In accordance with the Articles of Association of the company and provisions of the Companies and Allied Matters Act, Cap C20 LFN 2004, Mrs. Awuneba Sotonye Ajumogobia is the director retiring by rotation and being eligible offers herself for re-election. Dr Umaru Alka and Mr Babatunde Oladele Kasali who were appointed to the Board since the last AGM retire at this meeting and being eligible offer

themselves for election. The biographical information of the Directors for re-election and election are on pages 19 to 23 of the Annual Report and Accounts.

### Record of Director's attendance at Board Meetings

In accordance with section 258 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004, the record of Directors' attendance at Board Meetings during the year is available for inspection at this Annual General Meeting.

Company Secretary/Legal Adviser  
Godwin Abimbola Samuel, Esq

Registrar  
UAC Registrars Limited

Registered Office and Transfer Office  
UAC House  
1-5 Odunlami Street  
Lagos.

Auditors  
PricewaterhouseCoopers  
Chartered Accountants  
252E Muri Okunola Street  
Victoria Island  
Lagos

In accordance with section 357(2) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria, 2004, PricewaterhouseCoopers will continue in office as Auditors without a resolution being passed. A resolution will, however, be proposed at this meeting authorizing the directors to fix their remuneration.



“... The Directors are responsible for the preparation of the annual financial statements which give a true and fair view of the position of the Company...”



## Directors' Responsibilities

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 Company with respect to the financial statements.

In accordance with the provisions of the Companies and Allied Matters Act 1990, the Directors are responsible for the preparation of annual financial statements, which give a true and fair view of the financial position of the Company and of the Statements of Comprehensive Income for the financial year.

The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- (b) the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act;
- (c) the Company has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed and;
- (d) the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

# Victory Made Perfect (VMP)



**Best Middle/High Income Residential Development in Africa: African Real Estate and Housing Awards**

Victoria Mall Plaza (Residences), one of our properties was recently adjudged the best middle/high income residential development in Africa at the 2012 African Real Estate and Housing Finance (AREHF) in Nairobi, Kenya. This Victory is Made Perfect (VMP) by the continued patronage of our numerous clients. Thank you all!



uacn property development company plc  
...building for sustainable value



**Senator Udoma Udo Udoma, CON 59**

Senator Udoma, a lawyer, graduated from Oxford University, England in 1976 with Bachelor of Arts (Law). He obtained a postgraduate degree in Advanced Legal Studies, the BCL, from the same University in 1977.

He was called to the Nigerian Bar in 1978. He had brief stints as a Law Lecturer at the University of Lagos, as an Investment Analyst with Chase Merchant Bank Nigeria Limited and as an Associate in the law firm of Chris Ogunbanjo & Co., before setting up his own commercial law firm of Udo Udoma & Co. (later renamed Udo Udoma & Belo-Osagie) in 1983. He is currently the Senior Partner in the firm. He has served the nation in very many capacities. He was a member of the advisory team of legal experts set up by the Technical Committee on Privatisation and Commercialisation (TCPC) to advise on the legal aspects of the privatisation exercise; he was also the legal member of the team set up by the Federal Government to carry out a comprehensive review of the National Policy on Solid Minerals Development and also served as Special Adviser to the Minister of Petroleum and Mineral Resources. He was elected into the Senate in 1999 and served for two terms up till 2007.

As part of his contributions to public service, he was the pioneer Chairman of the Corporate Affairs Commission; served for four years as the Non-Executive Chairman of the Board of the Securities & Exchange Commission (SEC) and was Chairman of the Task Force on the Petroleum Industry Bill.

He has received several awards and honours including the Doctorate of Laws degree from the University of Uyo, and the national award of Commander of the Order of the Niger (CON).

He joined the Board of UAC of Nigeria Plc in 1995 and was appointed as the Non-Executive Chairman of the Board with effect from 2nd January, 2010. He is also the Non-Executive Chairman of Union Bank Plc and serves on the Board of Unilever Nigeria Plc.



**Mr Larry Ephraim Ettah, 49**

Mr Ettah is the Group Managing Director/Chief Executive Officer of the Company. He was appointed on January 1st 2007. He holds a B.Sc degree in Industrial Chemistry and an MBA (Finance/Marketing) both from University of Benin. He is also a graduate of the renowned Executive Programme of Ross School of Business, University of Michigan, Ann Arbor, United States of America.

Before his elevation to the current position, he held several Senior Management positions in the Company including Divisional Managing Director of Mr. Bigg's and UAC Foods Divisions and Head of Human Resources/Executive Director of the Company.

He is the Non-Executive Chairman of UACN Property Development Company Plc, Chemical & Allied Products Plc, UAC Foods Limited and Warm Spring Waters Nigeria Limited. He is the 1st Vice-President of the Nigeria Employers' Consultative Association (NECA) and Vice-President (Multinationals) of Manufacturers Association of Nigeria (MAN). He joined the Board in 2004.



**Mrs Awuneba Sotonye Ajumogobia, 54**

Mrs Ajumogobia is a fellow of the Institute of Chartered Accountants of Nigeria with over two decades quality experience in external audit, accounting, finance and marketing.

She graduated from University of Ibadan with a B.Sc (Hons) degree in Economics in 1982 and acquired broad professional experience in audit, taxation and consultancy across several industries at the audit firms of Peat Marwick, and Deloitte.

She later joined Andersen Consulting (now Accenture) where she worked for 13 years, leaving the organisation as Finance Director after which she worked on the national vision 20:2020 project as a member of the Consulting team. She currently serves as Executive Director of Multistream Energy Limited; on the Advisory Board of Lagos Deep Offshore Logistics Base (LADOL) and the Board of Trustees of Youth Business Initiative. She joined the Board in July 2009 and is the Chairperson of its Risk Management Committee.





**Mr Abdul Akhor Bello, 52**

Mr. Bello is a fellow of the Institute of Chartered Accountants of Nigeria. He has attended management and leadership programmes at Ashridge Business School, Cranfield University and The Wharton School of the University of Pennsylvania.

He is an alumnus of Oxford University's Advanced Management and Leadership Programme. Mr. Bello has worked variously as Special Assistant to Inlaks Group Finance Director; Chief Accountant, Inlaks Plc; Chief Accountant and Financial Controller, Grand Cereals Limited; Senior Group Accountant, UACN; Finance Director & Company Secretary and later Managing Director of Chemical & Allied Products Plc.

He was the Managing Director of UACN Property Development Company Plc from November 2007 until his elevation to the Board of UACN Plc as Chief Financial Officer in January 2010. He is also a Non-Executive Director of UACN Property Development Company Plc, UAC Foods Limited and Skye Bank Plc.



**Mr. Babatunde O Kasali, 59**

Mr Kasali graduated with B.Sc (Hons) Economics degree from Manchester Metropolitan University, UK. He is a Fellow of the Institute of Chartered Accountants of Nigeria.

His work experience include Audit Senior, Ernst & Young (Chartered Accountants) United Kingdom; Assistant Internal Auditor, Amex Bank Plc, United Kingdom; Principal Manager, Ernst & Young (Chartered Accountants) Nigeria; Financial Consultant, Peugeot Automobile Nigeria Limited; Chief Inspector, Regional Director, Divisional Director and Regional Bank Head, Lagos, Consumer and Commercial Banking Group, United Bank For Africa Plc respectively.

He is the Managing Partner, Babs Kasali & Co. (Chartered Accountants). He was until recently a Non-Executive Director of UACN Property Development Company Plc from where he was appointed to the UACN Board in March, 2013.



**Mr Joseph Ibrahim Dada, 52**

Mr Dada graduated from Ahmadu Bello University, Zaria with a B.Sc (Hons) in Economics. He also holds a Masters of Science Degree in Marketing Management from the University of Lagos.

He is a member of Advertising Practitioners Council of Nigeria (APCON) and a Fellow of the National Institute of Marketing of Nigeria (NIMN). He is an alumnus of the famous Kellogg School of Management, North Western University, Illinois, USA.

He joined UACN as a Management Trainee in September 1983. He worked variously as Factory Planning Manager, Brand/Export Manager and Market Research/Media Manager with the then A J Seward Division of UACN. He later worked with UAC Export as Export Business Manager and, subsequently, with UAC Foods as Product Group Manager and Fast Foods/Marketing Services Manager. Also at UAC Foods, he worked as Divisional Ice Cream Director, Divisional Frozen Foods Director and Acting Divisional Fast Foods Director.

In December 1999, Mr Dada was appointed the Managing Director of Grand Cereals Limited, a subsidiary of UACN, a position he held until his elevation to the Board in January 2010 as Executive Director (Corporate Services) with responsibility for Human Resources, Marketing and Strategy. He is also a Non-Executive Director of Grand Cereals Limited, UAC Foods Limited and Warm Spring Waters Nigeria Limited.



**Dr Okechukwu Enyinna Enelamah, 49**

Dr Enelamah, first graduated as a medical doctor before qualifying as a chartered accountant. He has an MBA from the prestigious Harvard Business School, Massachusetts, USA and is also a chartered financial analyst.

He is the Chief Executive Officer of African Capital Alliance Limited (ACA), a leading private equity firm - a terrain he was adequately prepared for after working with Zephyr Management L.P in New York and South Africa Capital Growth Fund in Johannesburg.

Dr Enelamah, who also worked for leading outfits - Arthur Andersen and Goldman Sachs - currently, serves on the Board of several Companies and not-for-profit organizations including, Cornerstone Insurance Plc, e-Tranzact Global Limited, TechnoServe, Africa Leadership Initiative West Africa and Africa Venture Capital Association. He is also the Chairman of the Boards of Flavours Food Limited and Landmark Property Development Company (LPDC) among others. He joined the Board in 2010.



**Dr. Umaru Alka, 61**

Dr Umaru Alka, an expert in environmental pollution and conservation had his secondary education at the prestigious King's College, Lagos.

He thereafter attended Ahmadu Bello University, Zaria from where he earned a B.Sc (Hons) in Chemical Engineering and a M.Eng in Water Resources and Environmental Engineering. He obtained a Ph.D in Environmental Control Engineering from Newcastle Upon-Tyne, United Kingdom. He has acquired deep experience in his specialty from working with the Bauchi State Water Board from 1976 to 1985 and the Abubakar Tafawa Balewa University (formerly Abubakar Tafawa Balewa College of Ahmadu Bello University, Zaria) from 1985 to 1987.

From 1987 to date, he has run his own Environmental and Water Resources Engineering outfit, Alka-Chem Limited. He has also at various times served on the Boards of the Federal Housing Authority, Bauchi State Water Board, Lake Chad Research Institute; and as an Adviser to the Bauchi State Government on Environmental, Industrialisation and Water Resources Development.

He is a member of the Nigerian Society of Engineers; Nigerian Society of Chemical Engineers, Institution of Water Pollution Control (U.K) and the Institute of Public Health Engineering (U.K). He was until recently a Non-Executive Director of Chemical & Allied Products Plc from where he was appointed to the UACN Board in March 2013.



1.	Mr. Larry Ettah	Group Managing Director/CEO
2.	Mr. Abdul Bello	ED/Chief Financial Officer
3.	Mr. Joseph Dada	Executive Director, Corporate Services
4.	Mrs. Omolara Elemide	Managing Director, Chemical and Allied Products Plc
5.	Mr. Anthony Arenyeka	Managing Director, GM Nigeria Ltd
6.	Dr. Tawanda Mushuku	Managing Director, UAC Foods Ltd
7.	Mr. Hakeem Ogunniran	Managing Director, UACN Property Dev. Co. Plc
8.	Mr. Layi Oyatoki	Managing Director, Grand Cereals Limited
9.	Mrs. Muhibat Abbas	Managing Director, UNICO CPFA Ltd
10.	Mrs. Folake Oshinyemi	Managing Director, Warm Spring Waters Nig. Ltd
11.	Mrs. Omotayo Hamman	Managing Director, UAC Registrars Limited
12.	Mr. Solomon Aigbavboa	Managing Director, MDS Logistics Plc
13.	Mr. Derrick Van Houten	Managing Director, UAC Restaurants Limited
14.	Mr. Godwin Samuel	Company Secretary/Legal Adviser
15.	Mr. Mukhtar Yakasai	Special Projects Manager
16.	Mrs. Oluyinka Abegunde	Head, Internal Audit
17.	Mr. Tunde Adenekan	Head, Information Technology
18.	Mrs. Adeniyi Taiwo	Head, Financial Services
19.	Dr. Babatunde Lawal	Head, Medical Services
20.	Mrs. Osa Osowa	Head, Human Resources

The Directors have pleasure in submitting to the members the Consolidated Statements of Financial Position as at 31st December 2012 together with the Consolidated Statements of Comprehensive income for the year ended on that date, showing a net consolidated profit of N7.1b after providing for taxation and Non-controlling Interest.

The report also covers a review of the business performance in the last financial year as well as future prospects.

### Dividend & Bonus Issue

The Directors have recommended the payment of N1.60 per ordinary share of 50 kobo each. Additionally, a Bonus Issue of 1 for every 5 ordinary shares held is being recommended.

PROFIT FOR THE YEAR AFTER TAXATION	2012 N'ooo	2011 N'ooo
Group Profit for the year after taxation and Non-Controlling Interest	7, 102,951	3,407,685

### Activities

UAC of Nigeria Plc is a diversified holding company with activities in the following principal sectors: Food & beverages, real estate, paints and logistics.

### CORPORATE GOVERNANCE REPORT

UAC of Nigeria Plc is a Company of integrity and high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years, is an asset just as our people, brands and factories.

### The Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the Articles to be exercised by the Company in General Meeting.

### Composition of the Board of Directors

The Board is made up of Six Non-Executive and three Executive Directors.



The position of the Chairman is distinct from that of the Group Managing Director/CEO. The Chairman of the Board is Senator Udoma Udo Udoma, CON who is a Non-Executive Director, while the Group Managing Director/Chief Executive Officer is Mr Larry Ephraim Ettah. The Executive Directors are Mr Abdul A Bello, the Chief Financial Officer and Mr Joseph Ibrahim Dada, the Executive Director, Corporate Services. The other Non-Executive Directors are Mrs. Awuneba Sotonye Ajumogobia, 'the independent Director', Dr. Okechukwu E Enelamah, Dr. Umaru Alka, Mr. Babatunde O Kasali. Chief Samuel O Bolarinde and Dr. Suleyman A Ndanusa OON who served as Non-Executive Directors of the Company during the year have resigned from the board since the last Annual General Meeting.

All the Directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from third party professionals in areas where such advice will improve the quality of their contributions to the Board's deliberations.

### The Roles and Responsibilities of the Board

The following are the matters reserved for the Board of Directors of the Company:

- a) Formulation of policies, strategy and overseeing the management and conduct of the business.
- b) Formulation and management of risk management framework.
- c) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management.
- d) Overseeing the effectiveness and adequacy of internal control systems.
- e) Performance appraisal and compensation of Board members and senior executives.
- f) Ensuring the integrity of financial controls and reports.
- g) Ensuring that ethical standards are maintained.
- h) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units.
- i) Definition of the scope of delegated authority to Board Committees and management and their accountabilities.
- j) Definition of the scope of corporate social responsibility through the approval of relevant policies.
- k) Approval and enforcement of UACN code of Ethics and Business Practices for the Company and Code of conduct for Directors.

### Board Appointment

The process of appointing Directors involves a declaration of a vacancy at a Board Meeting; sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time; and reference of the curriculum vitae to the Governance and Remuneration Committee for necessary background checks, informal interviews/interaction and a recommendation for the approval of the Board of Directors. A Director appointed by the Board is presented to the next Annual General Meeting of the members of the Company for election.

### Directors' Induction and Training

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference of the Board and its Committees, the Board structure, schedule of Board meetings, his entitlements and demand on his time as a result of the appointment. The letter of appointment is accompanied with the Memorandum and Articles of Association of the Company, the previous Annual Report & Accounts, the Code of Corporate Governance For Public Companies In Nigeria, UACN Code of Business Ethics, and other major documents, policies, processes and procedures that help the Director to gain understanding of the Company, its history, culture, values, business principles, people, projects, processes and plan. A new Director undergoes an induction process whereby he is introduced to the members of the Group Senior Management team, the Board of Directors and the Company's operations, strategic plan, business environment and Directors' fiduciary duties and responsibilities. Operational visits are also arranged for the new Director to meet the leadership teams and get acquainted with the business operations, issues and brands of the subsidiaries companies of the Company.

### Board Meetings

The Board met seven (7) times during the 2012 financial year. The following table shows the attendance of Directors at the Board meetings:

Directors	21/3/2012	25/4/2012	20/6/2012	25/7/2012	24/10/2012	28/11/2012	12/12/2012
Sen. Udoma U Udoma CON	P	P	P	P	P	P	P
Mr. Larry E Ettah	P	P	P	P	P	P	P
Mr. Abdul A Bello	P	P	OT	P	P	P	P
Mr. Joseph I Dada	P	P	P	P	P	P	P
Mrs. Awuneba Ajumogobia	P	P	P	P	P	P	P
Chief Samuel O Bolarinde	P	P	P	P	-	-	-
Dr. Suleyman A Ndanusa, OON	P	P	P	AWP	P	P	P
Dr. Okechukwu E Enelamah	P	P	P	P	P	P	P

P = Present  
 AWP = Absent With Apology  
 OT = On Training  
 - = No longer a member of the Board

## Directors For Re-Election/Election

Mrs. Awuneba Sotonye Ajumogobia is the Director retiring by rotation and being eligible offers herself for re-election at the meeting. Dr Umaru Alka and Mr. Babatunde Oladele Kasali who were appointed to the Board since the last AGM retire at this meeting and being eligible, offer themselves for election. The biographical details of the Directors for re-election and election are on page 19 to 23 of the Annual Report and Financial Statements. The Board is satisfied with their performance as Directors of the Company.

## Board Evaluation

A Board performance evaluation was undertaken in the first quarter of 2013. The Board was pleased with its performance and those of Board Committees and Individual Directors. Necessary feedbacks were given to individual Directors arising from the exercise.

## Composition of Board Committees

The Board functions through two Board Committees namely, the Risk Management Committee and the Governance & Remuneration Committee. All Board Committees make recommendations for approval by the full Board.

### 1) The Risk Management Committee

The Committee is chaired by Mrs Awuneba Ajumogobia, a Non-Executive Director, made up of a Non-Executive Director and the three Executive Directors.

## Terms of Reference of Risk Management Committee

The following are the terms of reference of the Risk Management Committee:

- i) To oversee the establishment of a management framework that defines the Company's risk policy, risk appetite and risk limits.
- ii) To undertake at least annually a thorough risk assessment covering all aspects of the Company's business and use the result of the risk assessment to update the risk management framework of the Company.
- iii) To oversee financial reporting, its policies and processes.
- iv) To review the group operational performance.
- v) To approve capital expenditure, specific projects and their financing within the overall plan approved by the Board.
- vi) To approve bank borrowings.
- vii) To monitor compliance with applicable laws and regulations by the Company and its subsidiaries.
- viii) To authorize the sealing of legal documents and instruments.
- ix) To investigate any activity within its terms of reference as set out in its charter.
- x) To seek any information that it requires from the Group Managing Director, the Executive Directors or Heads of Business Units or Corporate Centre Unit.
- xi) To supervise the work of the Internal Audit Unit as well as the unit responsible for managing risks in the Company or group.
- xii) To ratify the evaluation and replacement of the Heads of the Risk Management and Internal Audit units.
- xiii) To periodically review the manning level and the adequacy of the resources with which the internal audit and the risk management units discharge their duties.

- xiv) To understand the principal risks to achieving the Company and group's strategy.
- xv) To ensure that business profile and plans are consistent with the Company's and group's risk appetite.
- xvi) To establish and communicate the Company's and group's risk management framework including responsibilities, authorities and control.
- xvii) To establish the process for identifying and analysing business level risk.
- xviii) To agree and implement risk measurement and reporting standards as well as methodologies.
- xix) To establish key control processes and practices, including limit structures.
- xx) To monitor the operation of the controls and adherence to risk direction and limits.
- xxi) To ensure that the Company's and group's risk management practices and conditions are appropriate for the business environment.
- xxii) To review and challenge all aspects of the Company's and group's risk profile key risk indicators and risk management practices.
- xxiii) To assess new risk-return opportunities.
- xxiv) To monitor, review and challenge risk management practices.
- xxv) To ensure disclosure of the Company's and group's risk management policies and practices in the annual report.

## Committee Meetings

The Risk Management Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	20/3/2012	24/4/2012	24/7/2012	23/10/12
Mrs. A Ajumogobia	P	P	P	P
Mr. L E Ettah	P	P	P	P
Mr. J I D Dada	P	P	P	P
Mr. A A Bello	P	P	P	P
Dr. S A Ndanusa	P	P	P	P

Keys: P - Present

## Board Training

A Board retreat was held on 30th October, 2012. The Directors and the Managing Directors of all the Subsidiary Companies attended the retreat. An IFRS Conversion training was held for members of the Audit Committees within UACN group on 15th January, 2013.

2) The Governance and Remuneration Committee  
The Committee is chaired by Senator Udoma Udo Udoma CON, a Non-Executive Director made up of two other Non- Executive Directors with the Group Managing Director/CEO in attendance. The GMD/CEO attended the committees meetings to present management is recommendations on annual salary reviews and incentives for employees. Whenever the Committee is discussing compensation and performance issues of the GMD/CEO and the Executive Directors, he is excused from the meeting and excluded from the deliberations of the Committee.

## Terms of Reference of Governance and Remuneration Committee

The following are the terms of reference of the Committee:

- a) To periodically evaluate the skills, knowledge and experience required on the Board and make recommendations on the composition of the Board.
- b) To define the criteria and the procedure for the appointment of Directors to the Board and the Board Committees.
- c) To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.
- d) To nominate new Directors for appointment to the Boards of the

- e) Company, the subsidiaries and associated companies.
- f) To recommend the appointment, remuneration and promotion of Executive Directors and Senior Management.
- g) To perform annual evaluation of the Board, the Board committees and the Boards of subsidiary companies as appropriate.
- h) To set the performance targets/criteria and evaluate the performance of the Group Managing Director/CEO and make recommendations to the Board on his performance.
- i) To review from time to time succession planning proposals and implementation.
- j) To document and review the Board Charter and the composition, roles, responsibilities, authorities, reporting framework of Board Committees and the Boards of subsidiary companies.
- k) To make recommendations to the Board on the adoption of a Code of Conduct (including the policy on trading in the Company shares) for Directors and Senior Executives and to review the same from time to time.
- l) To make recommendations to the Board on the whistle blowing process for the Company that encourages stakeholders to report any unethical activity/breach of Corporate Governance.
- m) To oversee continuing education of Board members and the induction of new directors.
- n) To provide input into the annual report of the Company in respect of Directors' compensation.
- o) To review and make recommendations to the Board for approval of the Company's organisational structure and any proposed amendments.
- p) To review and make recommendations to the Board on the group-wide staff appraisal, salary and compensation.

## Committee Meetings

The Committee met once in 2012. It however advises the Board and gives guidance to management on the issues within its terms of reference from time to time. The following table shows the attendance of Committee members at the meeting:

Directors	16/4/2012
Senator Udoma U Udoma	P
Chief Samuel O Bolarinde	P
Dr. Okechukwu E Enelamah	P
Mr. Larry E Ettah	IA

Keys: P - Present IA - In Attendance

## MANAGEMENT

There is in place a Delegation of Authority Framework approved by the Board that sets out the matters delegated to management by the Board. At the Management level, a Business Review Committee presided over by the Group Managing Director/CEO, comprising the Executive Directors, Managing Directors of the various Subsidiary Companies and the Heads of Corporate Centre units meets every month to review and address business performance, operational and strategic issues of the businesses within the group. The members of leadership teams of the Corporate Centre and Subsidiary Companies also hold an annual business retreat to review the performance of the Businesses within the group in the previous year; unveil the approved budget for the current year and discuss execution modalities. The list of the members of the senior management team of the group during 2012 financial year is contained on page 25 of this Annual Report.

## Code of Business Ethics

Every employee of the Company and its subsidiaries subscribes to comply with the UACN Code of Business Principles & Ethics ("the Code") on an annual basis. The Board of Directors is responsible for ensuring that the Code is communicated to, understood and observed by, all employees.

## THE STATUTORY AUDIT COMMITTEE

The statutory Audit Committee consists of six members made up of three representatives of the shareholders elected at the previous Annual General Meeting for a tenure of one year and three representatives of the Board of Directors nominated by the Board. The Chairman of the Committee is Mr Olabisi Fayombo, a Chartered Accountant and a shareholders' representative. The Company Secretary is the Secretary to the Committee. The meetings of the Committee were attended by the Head of Internal Audit and representatives of PricewaterhouseCoopers our independent Auditors. The Committee operates within the provisions of the Companies and Allied Matters Act Cap C20 Laws of the Federation, 2004, the Code of Corporate Governance for Public Companies in Nigeria, UACN Audit Committee Charter and Internal Audit Charter and best practice. The committee met with the board to discuss issues arising from its work as part of the process of approving the 2012 Financial Statements. The following table shows members' attendance at the three meetings of the Committee in 2012:

Directors	19/3/2012	18/6/2012	08/11/2012
Mr. Olabisi Fayombo	P	P	P
Mr. Kenneth Nnabike	P	P	P
Mr. Matthew Akinlade	P	P	P
Chief Samuel O Bolarinde	P	P	-
Dr. Suleyman A Ndanusa	P	AWP	P
Mr. Abdul A Bello	P	P	P

Keys: P = Present  
 AWP = Absent With Apology  
 - = No longer a member

## The Terms of Reference of the Committee

The following are the terms of reference of the Committee:

The Committee is authorized by the Companies and Allied Matters Act, 1990 ('CAMA') to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with the external auditor and departmental responses thereon.
- Keep under review the effectiveness of the company's system of accounting and internal control.
- Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee.
- Receive quarterly/periodic reports from the Internal audit unit.

In addition, the 2011 Code of Corporate Governance for public companies in Nigeria assigns the following responsibilities to the Committee.

- Assist in the oversight of the integrity of the company's financial statements, compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor and performance of the company's internal audit function as well as that of external auditors.

- Establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company.
- Ensure the development of a comprehensive internal control framework for the company; obtain assurance and report annually in the financial report, on the operating effectiveness of the company's internal control framework.
- Oversee management's process for the identification of significant fraud risks across the company and ensure that adequate prevention, detection and reporting mechanisms are in place.
- At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the company.
- Discuss the annual audited financial statements and half yearly unaudited statements with Management and external auditors
- Discuss policies and strategies with respect to risk assessment and Management.
- Meet separately and periodically with management, internal auditors and external auditors.
- Review and ensure that adequate whistle-blowing procedures are in place. A summary of issues reported are highlighted to the chairman
- Review, with the external auditor, any audit scope limitations or problems encountered and Management's responses to same.
- Review the independence of the external auditors and ensure that where non-audit services are provided by the External Auditors, there is no conflict of interest.
- Preserve auditor independence, by setting clear hiring policies for or former employees of independent auditors;
- Consider any related party transactions that may arise within the company or group.
- Invoke its authority to investigate any matter within its terms of reference and the Company must make available resources, including internal audit and access to external advice where necessary, to carry out this function.
- Report to the members of the Company at Annual General Meeting and to the Board of Directors, when necessary.

## Update on IFRS Conversion

The 2012 quarterly interim reports and full year financial statements of the Company were prepared and presented in accordance with International Financial Reporting Standards.

## Compliance with the Code of Corporate Governance

The Company has complied with the 2011 Code of Corporate Governance for public Companies in Nigeria.

## Directors' Interest in Ordinary Shares DIRECTORS

	December 2012 Ordinary shares	December 2011 Ordinary shares
Senator. U U Udoma, CON	1,047,565	1,047,565
	19,005,045	19,005,045
Mr. L E Ettah	2,276,045	2,276,045
Mr. A A Bello	103,657	103,657
Mr. J I Dada	85,937	85,937
Chief S O Bolarinde	592,612	592,612
Mrs A Ajumogobia	771	771
Dr. S A Ndanusa, OON	-	-
Dr. O E Enelamah	-	-

As at 23th March, 2013 there were no changes in the holdings of the Directors.

## Directors' Interest in Contracts

Some of the Directors gave notices for the purposes of Section 277 of the Companies and Matters Act, 1990, to the effect that they are members of some specified companies which could be regarded as interested in contracts with which the group was involved during year under review.

## Charitable Gift and Other Donations

	=N=
Corporate Social Responsibility	13,888,265
Products Sponsorships	41,601,427
Other Donations =N= 40,000.00 and Below	94,875
TOTAL	55,584,567



UNICO CPFA Limited delivered returns above the industry average despite the challenges in Equity and Bond markets.

The RSA Fund unit price grew by 31%, which is the highest growth in the industry. The company engaged members through knowledge sharing session to improve its customer service activities.

The Fund is well positioned to deliver exceptional value to members.



CAP PLC achieved commendable growth in both turnover and operating profit. The company continued to dictate the pace in decorative paint through innovation and colour mastery.

To increase market penetration and performance, 4 new Dulux Colour Centres were opened in Abuja, Uyo, Surulere and Gbagada, while 8 new Dulux Colour Shops were opened in Owerri, Ikorodu, Ijebu-ode, Mowe, Benin, Awka, Abuja and Calabar. The company introduced lead free paints, launched the environmentally friendly Dulux Ecosure products which, is ISO 9001:2008 certified.

The company launched the "Dulux Let's Colour" CSR campaign in Nigeria, by painting the Red Cross Society Orphanage in Yaba Lagos, the country's first orphanage established in 1954.





Warm Spring Waters Nigeria Limited recorded improved turnover. As part of cost-containment strategies, the company was able to reduce packaging materials costs, which impacted the business positively. Fierce competitive environment given deluge of cheap local table water brands, price sensitive consumers, and increased cost of energy. The brand witnessed improvement in shelf presence in selected channels.



UAC Registrars Limited has successfully implemented e-processes and services introduced by the industry regulator. The company continues to focus on delivery of quality service and achieving operational efficiencies.



MDS Logistics maintained its leadership position in the outbound segment of the third party logistics Industry. The company achieved significant growth, despite the challenges of insecurity, flooding, increased fuel price and declining business volumes from some of the major clients.

The Warehousing Unit of the Business experienced growth due to expansion by key clients. Additionally, the company reviewed its pricing policy and optimization of

warehousing capacity in selected depots

Also, innovative strategies in the transport and distribution units of the business impacted positively on the warehousing category.



UPDC recorded an improved performance in terms of turnover and profit before tax. The company completed the following projects during the year: Emerald Court, Apo – Abuja and Grandville, GRA – Ikeja, Lagos. In addition, work reached advanced stages on three other major projects – Cameron Green, Ikoyi, Metro Gardens, Lekki and Metro City, Apo – Abuja resulting in a performance adjudged better than industry standard.

The company also achieved a first by securing the approval of the Securities & Exchange Commission (SEC) to establish a Declaration of Trust - based N30 billion Real Estate Investment Trust (REIT), an initiative which will unlock value in some of UPDC's choice investment properties and also further deepen the real estate market.

The major challenges experienced by the real estate industry during the year included limited access to capital by developers, lack of retail financing for buyers and the attendant high cost of development/mortgage funding; a challenged luxury market, restrictive legislations and related adverse changes as well as the usual problems surrounding land policies, land titling and litigations.



UAC Restaurants is now a completely franchised business. The company focused on key business areas such as operations and compliance training, with a view to helping the franchisees master the trade and increase market share. The franchise has also

experienced growth with the opening of additional restaurants. The restaurant revamping exercise which commenced in 2010 has seen great improvement with 70% of all restaurants revamped.



The Business Unit carried out normal business operations in the year under review, though sales remained sticky resulting in a loss.

Following the decision of our Joint-Partner (General Motors) to restructure its operations in Nigeria and adopt an indirect approach, through appointment of a National Distributor, a decision has been taken to wind down the Joint-Venture. The business will concentrate on effectual winding down and liquidation of assets in 2013.



Grand Cereals' turnover performance was commendable. Significant price volatility of key raw materials and astronomical hike in finance charges led to margin erosion. The Company commissioned a new 6000 metric tonne per month capacity poultry feed plant in Onitsha in October 2012. This has buoyed the confidence of poultry farmers in the East on the ability of the Company to consistently make Vital Feed available to them all-year-round given the proximal location of the new plant to this key market.

As part of efforts to provide additional working capital to fund its expanding business, the Company raised ₦3 billion through rights issue during the year.



The consolidated business volumes were up and top-line grew commendably compared to previous year.

The Gala relaunch in Q3, upgraded packaging and fortification of the product with micro-nutrients, a first mover advantage, were well accepted by the trade.

The operating environment in the Northern part of Nigeria, insecurity, compounded by the rising costs of inputs including haulage costs contributed negatively to the full year results for SWAN.

Concerted sales and marketing efforts are being undertaken to gain market share across all our product portfolios with focused investment behind our core brands.

## Distributors' List



AZIZEBU ENTERPRISES	Portharcourt
ODENU VENTURES	Lagos
TESSAC NIG. LTD.	Ado Ekiti
BUKDAMS ENTER. LTD	Akure
TARON VENTURES	Ado Ekiti
OLABIMTAN	Warri
MMAYOH EMMANUEL (MRS)	Uyo
EMOIFA & SONS LTD	Ado Ekiti
D. N. OKOLI & BROS. LTD	Ado Ekiti
KNG VENTURES	Benin



Convenant Stride - Abuja	North Central
Comfort A Olajide - Jos	North East
D. F. Ventures - Lagos	Lagos
Phed Agrovet - Kano	North West
Jeromaski Enterprises - Kaduna	North West
Jehns Enterprises Nasarawa / Karu	North Central
Benita Ventures - Jos	North East
Feeze Nig Enterprises - Aba	South East
Mafeng Stores - Uyo	South South
Chidera Poultry Services - Nsukka	South East

## Distributors' List



Gils Lakin & Company Limited	158/160, Egbe Road, Ejigbo Lagos.
Lead Automobile Company Ltd	Suit B6, Amac Plaza opposite Heritage
	Sultan Abubakar Way, Wuse Zone 3 Abuja
Al-safa International Ltd	8/20 Independence Way, Kaduna
	Kaduna State
Auaphill Motors Limited	Murtala Mohammed Highway, Calabar
	Cross River State
Elim Motors Nigeria Ltd	4 Saka Tinubu Street Victoria Island, Lagos
YSY Company Limited	15, Akintunde Street Onike, Iwaya Lagos
Gold chase Motors Limited	Conveyancer House 64 Eric Moore Road
	Iganmu Lagos
Gabol Motors Limited	2/3 Kudirat Abiola Way, Oregun Ikeja Lagos
CFAO Nigeria Limited	4A Ijora Causeway, Ijora Lagos
Adekunle Abogun Motors Limited	Suit No 51/52 Kwara Stadium Shopping Complex
	Ilorin, Kwara State



House Affairs Nigeria Limited	17A Ajao Road, Off Adeniyi Jones Avenue, Ikeja, Lagos
Edeoga Nigeria Limited	Plot 1259, Aminu Kano Crescent, Wuse II, Abuja
Treaty Projects Limited	156/186, Aba - Port Harcourt Expressway, Opp.
	Waterlines b/stop, Port Harcourt
First Ebony Investment & Allied Services Limited	KM 18/19, Lekki - Epe Expressway, (By Chevron Roundabout), Lagos
TAES Concepts Limited	Gouba Plaza, Plot 171, Gouba Plaza, Plot 171 A.
	E, Ekukinam Street, Utako District, Beside Chisco Transport, Abuja
Ambroziny International Limited	19, Ogui Road, canute House, Enugu
Chrisbaki Nigeria Limited	40, Effurun - Warri Road, Warri.
Marco Bruno Nigeria Limited	26 Trans Amadi Industrial Layout, Rumubiakani
Kay Taiwo International Limited	9A, Osolo way, by Aswani round about, Ajao Estate, Isolo
Stanzel Associate Limited	Plot 104, 3 <sup>rd</sup> Avenue, (Pa. Michael Imoudu Avenue)
	Opposite Mr Biggs, Gwarinpa 11 Estate, Abuja

## Distributors' List



Rondasy Enterprises( Sun Paul Sidney Nigeria Enterprises Limited)	LAGOS
Japio Stores ( Okhuakhua)	LAGOS
Wolad Stores and Foods	LAGOS
Madonna Foods	OWERRI
Ugwu Kingsley	ENUGU
Cecilia Omaruaye	WARRI
Ogunkoya Stores & Catering Services	LAGOS
Lakeshad "R" Enterprise ( AISHA VENTURES)	LAGOS
Vitadof Stores	LAGOS
Jubilee Enterprise ( Afunugo)	LAGOS

## Distributors' List



RESTAURANT NAME	BRAND	LOCATIONS
PALMS	MR BIGG'S	PALMS SHOPPING MALL, LEKKI
BROAD STREET	MR BIGG'S, VK	26, BROAD STREET, LAGOS ISLAND
MARINA	MR BIGG'S	51, MARINA, LAGOS
AJAH	MR BIGG'S	LAGOS-EPE EXPRESSWAY, AJAH
SANGOTEDO	MR BIGG'S, VK	SANGOTEDO, LEKKI-EPE EXPRESS WAY
IJESHATEDO	MR BIGG'S	30 ADESINA STREET, IJESHATEDO
OKOTA	MR BIGG'S	7, AGO PALACE WAY, OKOTA
SATELITE	MR BIGG'S	MOBIL FILLING STATION, ALAKIJA BUS STOP, SATELLITE TOWN
BODE THOMAS	MR BIGG'S	77, BODE THOMAS STREET, SURULERE, LAGOS
FESTAC 1	MR BIGG'S	1, ACJON PLAZA, 1ST AVENUE, FESTAC TOWN, LAGOS
ILUPEJU	MR BIGG'S	21, COKER ROAD, ILUPEJU
OREGUN ROAD ALAUSA	MR BIGG'S	MOBIL FILLING STATION, OREGUN ROAD, IKEJA
JIBOWU	MR BIGG'S	48 IKORODU ROAD, JIBOWU -FADEYI
MOROCCO	MR BIGG'S	2 BAJULAIYE ROAD, MOROCCO AREA, SHOMOLU
AKOKA	MR BIGG'S	89 ST FINBARS ROAD, AKOKA, BARIGA
OMOLE	MR BIGG'S	PLOT 103, ISHERI/OMOLE ROAD, OMOLE PHASE 1
ALAGOMEJI (YABA)	MR BIGG'S	ALONG HERBERT MACAULAY ROAD, ALAGOMEJI, YABA
EBUTE METTA	MR BIGG'S, VK	129, APAPA ROAD, EBUTE METTA
IKOSI	MR BIGG'S	70, IKOSI ROAD, KETU, LAGOS
TEJUOSHO	MR BIGG'S	26, OJUELEGBA, ROAD OANDO FILLING STATION
IFAKO	MR BIGG'S	45 DIYA STREET IFAKO, GBAGADA
123 OGBA	MR BIGG'S	123, OGBA ROAD, AGEGE
ALLEN AVENUE	MR BIGG'S	52, ALLEN AVENUE, IKEJA
BEESAM	MR BIGG'S	MAFOLUKU ROAD
AIRPORT	MR BIGG'S	NEAR OLD DEPARTURE HALL, DOMESTIC AIRPORT
MM2	MR BIGG'S, VK	MURTALA MOHAMMED AIRPORT, TERMINAL 2
TOYIN	MR BIGG'S	25B, TOYIN STREET, IKEJA
AJAO ESTATE	MR BIGG'S	8, OSOLO WAY, AJAO ESTATE, LAGOS
OBA AKRAN	MR BIGG'S	AP FILLING STATION, OBA AKRAN, IKEJA



## Distributors' List

OSHODI	MR BIGG'S, VK	8 BOLADALE STREET OSHODI
OGUDU	MR BIGG'S	2, ADEDEJI/OGUDU ROAD, OGUDU
GOWON ESTATE	MR BIGG'S	149 3RD AVENUE, A CLOSE, FHA GOWON ESTATE, IPAJA
ALAGBOLE	MR BIGG'S	AKUTE IFO L.G.A. ALAGBOLE
MILE 12	MR BIGG'S	KOSOFE BUS STOP, MILE 12, IKORODU RD
ALAPERE	MR BIGG'S	3 DAVIS STREET, OFF DEMURIN STREET, KETU ,ALAPERE
SANGO	MR BIGG'S	IDIROKO ROAD, SANGO-OTTA, OGUN STATE
AKOWONJO	MR BIGG'S	143, EGBEDA ROAD, AKOWONJO
IGANDO	MR BIGG'S	PLOT 7, LASU RD., IGANDO TOWN, LAGOS
IKOTUN	MR BIGG'S	BESIDE ALIMOSHO LG COUNCIL, IKOTUN
EJIGBO	MR BIGG'S	OKE AFA ISOLO, OPPOSITE JAKANDE EST, EJIGBO ROAD
IKORODU 2	MR BIGG'S	128, SAGAMU ROAD IKORODU
MAGODO	MR BIGG'S	ALONG LAGOS/IBADAN EXPRESSWAY, MAGODO, LAGOS
GBAGADA	MR BIGG'S	MOBIL FILLING STATION, GBAGADA
NYSC	MR BIGG'S	MOBIL FILLING STATION, BESIDE NYSC CAMP, IYANA IPAJA
ABULE EGBA	MR BIGG'S	MOBIL FILLING STATION, LAGOS/ABEOKUTA EXPRESSWAY, ABULE EGBA
AGIDINGBI	MR BIGG'S	MOBIL FILLING STATION, AGIDINGBI
OGBA	MR BIGG'S	MOBIL FILLING STATION, IJAIYE-OGBA, OGBA, LAGOS
MARYLAND	MR BIGG'S	MOBIL FILLING STATION, MARYLAND, LAGOS
PALM AVENUE	MR BIGG'S	MOBIL FILLING STATION, PALM AVENUE, MUSHIN
ITIRE	MR BIGG'S	MOBIL FILLING STATION, ITIRE ROAD, SURULERE
AGUDA	MR BIGG'S	MOBIL FILLING STATION, AGUDA, SURULERE
WAREHOUSE ROAD	MR BIGG'S	MOBIL FILLING STATION, WAREHOUSE ROAD, APAPA
KIRIKIRI	MR BIGG'S	MOBIL FILLING STATION, KIRIKIRI ROAD
LEKKI	MR BIGG'S	MOBIL FILLING STATION, LEKKI ROUND ABOUT, LEKKI
AHMADU BELLO	MR BIGG'S	AHMADU BELLO
MOLONEY	MR BIGG'S	MOBIL FILLING STATION, MOLONEY, LAGOS ISLAND
IKOYI	MR BIGG'S	AWOLOWO ROAD, IKOYI
IYANA IPAJA	MR BIGG'S	MOBIL FILLING STATION, NO 52-53 IYANA IPAJA ROAD, ALAGUNTAN

## Distributors' List

MMIA	MR BIGG'S	MURTALA MOHAMMED INTERNATIONAL AIRPORT ROAD
BODIJA	MR BIGG'S, VK	OLUYOLE WAY, BODIJA IBADAN
MOKOLA	MR BIGG'S	MOKOLA ROUND-ABOUT
RING ROAD	MR BIGG'S	MOBILE FILLING STATION, OLUYOLE ESTATE, IBADAN (RING ROAD)
AKOBO	MR BIGG'S	AKOBO IBADAN
IWO ROAD	MR BIGG'S, VK	IWO RD., R/ABOUT BY LAMIDI AJADI & SONS LTD, IWO ROAD 2 IBADAN
IDI APE	MR BIGG'S	IDI APE ROAD, BASORUN, IBADAN
SAGAMU	MR BIGG'S	140, AKARIGBO RD SAGAMU
ABEOKUTA	MR BIGG'S	PLOT 2 OBAFEMI AWOLOWO WAY, IBARA-ADEOKUTA, OGUN STATE
IJEBU ODE	MR BIGG'S	124 FOLAGBADE STREET, IJEBU-ODE, OGUN STATE
DUGBE	MR BIGG'S	38 OBA ADEBIMPE ROAD, DUGBE IBADAN
OGBOMOSHO	MR BIGG'S	TARA ROAD, OGBOMOSHO
WARRI 1	MR BIGG'S, VK	37, AIRPORT ROAD, WARRI
UGHELLI	MR BIGG'S, VK	UGHELLI/PATANI ROAD, BESIDE COCA-COLA DEPOT, UGHELLI, DELTA STATE
AGBOR	MR BIGG'S, VK	AGBOR - ASABA EXPENSESWAY, AGBOR
UGBOWO, BENIN 2	MR BIGG'S	PLOT 201, BENIN/LAGOS ROAD, UGBOWO, BENIN CITY
SAPELE RD, BENIN 1	MR BIGG'S, VK	57, SAPELE ROAD, BENIN
AKPAKPAVA	MR BIGG'S, VK	57, AKPAKPAVA ROAD, BENIN
NNEBISI ROAD, ASABA	MR BIGG'S	329 NNEBISI ROAD, OPPOSITE STATE STADIUM, ASABA
AUCHI	MR BIGG'S, VK	AUCHI
NKPOR	MR BIGG'S, VK	23 LIMCA ROAD, NKPOR. ONITSHA
FEGBE	MR BIGG'S	129 PORT HARCOURT ROAD, FEGGE, ONITSHA
NEW MARKET ROAD, ONITSHA	MR BIGG'S, VK	75 UPPER NEW MARKET ROAD, ONITSHA
AWKA	MR BIGG'S	268 NNAMDI AZIKIWE ROAD, AWKA, ENUGU STATE
NNEWI	MR BIGG'S, VK	IGWE ORIZU ROAD NNEWI, ANAMBRA
EKWULOBIA	MR BIGG'S, VK	12, NNEWI ROAD, EKWULOBIA
OGWUASUKWU	MR BIGG'S	M4 FILLING STATION, ANIOCHA SOUTH LGA



## Distributors' List

CALABAR 1	MR BIGG'S, VK	50, KIZITO ATTAH WAY, CALABAR
CALABAR 2	MR BIGG'S	MURITALA MOHAMMED HIGHWAY, CALABAR
UYO 1	MR BIGG'S, VK	PLOT 1, BROOKS STREET, GOVERNMENT LAYOUT, UYO
FACTORY ROAD, ABA 1	MR BIGG'S, VK	1, FACTORY ROAD, ABA
AZIKIWE ROAD, ABA 4	MR BIGG'S	169, AZIKIWE ROAD, ABA
UMUAHIA	MR BIGG'S	ABA ROAD, UMUAHIA, ABIA STATE
OSISIOMA	MR BIGG'S	KM6 ENUGU/ABA ROAD
OKPARA AVENUE, ENUGU 1	MR BIGG'S	26, OKPARA AVENUE, ENUGU
ABAKILIKI	MR BIGG'S	4 WATER WORK /GUNNING ROAD, ABAKILIKI
NZUKKA	MR BIGG'S	2 ENUGU ROAD, NSUKKA
AGBANI	MR BIGG'S	97 AGBANI ROAD, ENUGU
AZIKIWE PHC	MR BIGG'S	No 9 AZIKIWE ROAD
RUMUIBEKWE	MR BIGG'S	18/19 RUMUIBEKWE, OPP SHELL RESIDENCIAL ESTATE, PORT HARCOURT
RUMUODARA	MR BIGG'S	ALONG EAST WEST ROAD, RUMUODARA, PORT HARCOURT, RIVERS STATE
GARRISON	MR BIGG'S	67, ABA ROAD, GARRISON, PORT HARCOURT
WIMPY	MR BIGG'S	44 WIMPEY ROAD, PORT-HARCOURT
ELELENWO	MR BIGG'S	ELELENWON STREET, ELIGBAM, PORT HARCOURT
AGGREY RD	MR BIGG'S	50 AGGREY ROAD
WOJI	MR BIGG'S, VK	YKC JUNCTION WOJI
OKIGWE ROAD, OWERRI 1	MR IGG'S	97, OKIGWE ROAD, OWERRI
OWERRI 4	MR BIGG'S, VK	PORT HARCOURT ROAD, OWERRI
OWERRI 2	MR BIGG'S, VK	8, NWATURUCHA IKENEGBU LAYOUT, OWERRI
OWERRI 3	MR BIGG'S, VK	10B, AMAKOHIA ROAD, ORLU ROAD, OWERRI
ILORIN 1	MR BIGG'S	96, IBRAHIM TAIWO STREET
ILORIN 2	MR BIGG'S	17-21 MURTALA MOH.WAY, KWARA STATE
ILORIN 3	MR BIGG'S	29, BISHOP CLOSE GRA, ILORIN
OKENE	MR BIGG'S	751 LAFIA ROAD, OKENE, KOGI STATE
LUGBE	MR BIGG'S	LUGBE, ABUJA
ABUJA AIRPORT	MR BIGG'S, VK	ABUJA LOCAL WING AIRPORT, ABUJA
LOKOJA	MR BIGG'S	145 MURTALA MOHAMMED WAY, LOKOJA, KOGI STAE

## Distributors' List

AKURE 1	MR BIGG'S, VK	ECWA CHURCH PREMISES, OBA ADESIDA ROAD, ONDO STATE, AKURE
AKURE 2	MR BIGG'S, VK	OYEMEKUN ROAD AKURE, ONDO STATE
ILE IFE	MR BIGG'S, VK	OPPOSITE FIRST BANK, LAGERE, ILE-IFE, OSUN STATE
OSOGBO	MR BIGG'S	2 AWOLOWO ROAD, IGBONNA, OSOGBO
GWAGWALADA	MR BIGG'S	193 IZOM ROAD, GWAGWALADA, FCT ABUJA
MINNA	MR BIGG'S	TUNGA BOSSO ROAD, MINNA, NIGER STATE
SULEJA	MR BIGG'S	MINNA ROAD, SULEJA, NIGER STATE
JABI	MR BIGG'S, VK	PLOT 525 JABI DISTRICT, ABUJA
UTAKO	MR BIGG'S	MOBILE FILLING STATION,UTAKO.ABUJA
DUTSE	MR BIGG'S, VK	OFF NAVY STAFF QRTS RD, DUTSE ALHAJI
MAKURDI	MR BIGG'S	1 OTUKPO ROAD,MAKURDI
GWARIMPA	MR BIGG'S, VK	3RD AVEUNE GWARIMPA ESTATE, ABUJA
MARABA	MR BIGG'S	PLOT R610, BEFORE MARABA FLYOVER, NEAR NEPA, ABUJA, KEFFI ROAD, ABUJA
LAFIA	MR BIGG'S	PLOT B, ADJACENT NATA-ALLAH HOUSE LAFIA JOS RD, LAFIA
KUBWA	MR BIGG'S	K77 SULTAN DASUKI WAY, KUBWA, ABUJA
ZONE 3	MR BIGG'S	OANDO FILLING STATION
MAIDUGURI 1	MR BIGG'S	4 KIRIKASAMA ROAD, MAIDUGURI
JOS 1	MR BIGG'S	40/42 AHMADU BELLO WAY, JOS
JOS 2	MR BIGG'S	37B YAKUBU GOWON WAY JOS, PLATEAU STATE
BAUCHI RD	MR BIGG'S	YANDOKA ROAD,OPP STATE SECURITY SERVICE OFFICE, BAUCHI
JOS 3 (GADA BIU)	MR BIGG'S, VK	ZARIA ROAD, GADA BIU
GOMBE	MR BIGG'S	OPP MDS COMPOUND. OLD BIU ROAD, GOMBE
AKWANGA	MR BIGG'S	No5 ANADAHA JOS ROAD,
YOLA	MR BIGG'S	JIMETA YOLA , OPP FEDERAL SECRETARIAT
GIDAN NIGER KADUNA 1	MR BIGG'S, VK	2 YAKUBU GOWON WAY, KADUNA
KACHIA RD,KADUNA 2	MR BIGG'S	9A KACHIA ROAD, KADUNA
ISA KAITA (KADUNA 3)	MR BIGG'S	20 ISA KAITA ROAD, KADUNA
KADUNA BARNAWA	MR BIGG'S	ALIYU MAKAMA STREET KADUNA





ZARIA	MR BIGG'S, VK	F3 KADUNA ROAD SABON GARI ZARIA
KADUNA 5(Camp road)	MR BIGG'S	2B, CAMP ROAD
GIDAN GOLDI, KANO 1	MR BIGG'S, VK	NIGER STREET, (GIDAN NIGER)
KANO 2	MR BIGG'S, VK	53 NEW ROAD, SABON GARI, KANO
SOKOTO	MR BIGG'S, VK	NO 12 MAIDIGURI RD, SOKOTO
GUSAU	MR BIGG'S, VK	GUSAU, ZAMFARA
AREA 8 TBR	MR BIGG'S, VK	1 ABEOKUTA ST, TBR AREA 8, GARKI -ABUJA
NYANYA	MR BIGG'S, VK	BESIDES NYANYA SHOPPING COMPLEX, NYANYA, ABUJA
KARU	MR BIGG'S, VK	PLOT NCI, CADASTRAL ZONE - KARU, ABUJA
WUSE	MR BIGG'S	PLOT 368 KASHIM IBRAHIM/AMINU KANO CRESCENT, WUSE 2, ABUJA
GARKI	MR BIGG'S, VK	45 LAGOS CRECENT, GARKI ABUJA
ASOKORO	MR BIGG'S	RANO, FILLING STATION A.YA. ASOKORO
CIRCLE	MR BIGG'S, VK	NEAR KWAME NKRUMAH CIRCLE
DANSOMA	MR BIGG'S, VK	PLOT 125, STREET CONTROL, DANSOMAN HOUSING ESTATE
OSU	MR BIGG'S, VK	700/2 OXFORD STREET CANTOMENT ROAD



<b>West</b>	Oshogbo	Makurdi	Aba (gcl)
Abeokuta	Oyo	Minna	<b>North - North</b>
Ado-Ekiti	Sapele	Suleja	Gombe
Akure	Warri	Yola	Gusau
Apapa	Jagasin Project Locations	<b>East</b>	Kaduna 1
Benin	Ogba Warehouse / Aitel ops	Aba	Kaduna 2
Ibadan	<b>North Central</b>	Calabar	Kano
Ibadan Promasidor	Abuja	Emene (gnp)	Katsina
Ijebu-Ode	Bauchi	Enugu	Maiduguri
Ikeja	Bida	Onitsha	Sokoto
Ilorin	Jalingo	Owerri	Zaria
M'civer	Jos Main	Port-Harcourt	
Ondo	Jos (gnplc/mtsc)	Umuahia	
Oregun	Lokoja	Uyo	

Employment Policy, Employee Welfare, Health and Safety

UAC is a signatory to the principles of UN Global Compact of environmental sustainability and business practices. Our business policies and practices are aligned with the principles of the UN Global Compact in the areas of human rights, Labour, environment and anti-corruption. It is the policy of the group that there is no discrimination in the employment, training and career development of all categories of people in terms of gender, race, ethnic origin, tribe, religion or creed, except where otherwise stated by statute. Ours is an equal opportunity company. In furtherance of this policy, the Group is committed to:

- Giving every employee a sense of belonging by operating competitive and objective performance and reward systems;
- Assisting and encouraging every employee to develop his ability to the maximum, not only in his chosen career, but also in other identified areas of interest within his capabilities and to pay careful attention to his work and progress;
- Encouraging employees to be good citizens by being law abiding and participating in civil and social activities in their private times;
- Encouraging employees to develop and maintain healthy habits and provide reasonable medical facilities for every employee and his/ her immediate family,

as applicable under the Company Medical Scheme;

- Recognizing the Freedom of employees to form and or join a responsible and truly representative Trade Union or Association.

## Health And Safety

It is our policy to ensure that employees work in safe and clean environment. Towards this end, the Group enforces strict adherence to safety rules and practices through its Health, Safety and Environment (HSE) people and committees in various locations. Safety and Fires drills are regularly organised to keep employees alert at all times. Our office environment are being continually renovated and modernised in line with trends in the environment.

## HIV/AIDS

UAC ensures a safe and healthy working environment by providing basic HIV/AIDS training to inform, educate and train all employees about HIV/Aids prevention, care and control. We do not discriminate against or dismiss any employee on the basis of his or her HIV status. The HIV status and medical records of any individual is kept strictly confidential. As much as possible, care is taken to support such individuals by providing counselling and medical support services.

## Welfare

The company provides heavily subsidised canteen services to employees in various parts of the country to ensure the health and vitality of the employees. Recreational facilities have also been made available in some locations.

Employees are continually briefed on health issues and how to take care of themselves. In addition, free medical care is provided for all employees.

We pursue a number of programmes to ensure that our employees enjoy work –life balance. Employees are obliged to strictly observe their annual vacation when it becomes due. The company believes this will provide them opportunity to refresh and be re-invigorated to perform better. It is the company policy not to allow accumulation of leave beyond one year in arrears and such must be at the instance of the company under special circumstances. Work is organised to enable employees of the company to work within the official business hours for them to catch up with their social life and family obligations. The compassionate leave normally granted bereaved employees has been extended to include one week (5 working days) paternity leave for male employees whose wives just put to bed. Our Close User Group phone facility has been extended to cover managers' spouses to ensure continuous reach, between the employees and their spouses even while they are on duty. Crèche and gymnastic facilities are also provided at central locations for employees' use to promote family health. Relations With Employees, Internal Management Structure  
Our employees are fully involved in strategy formulation and execution. This we do to achieve business plan ownership and commitment at all levels. Regular meetings at different levels are held to ensure that all employees are opportuned to interact with each

other and with different levels of management for exchange of ideas on critical business information. One of such fora is the recently introduced Annual Board Retreat which provides opportunity for a cross section of senior managers of the company to meet and interact with members of the Board of Directors on various topical business issues. Others include joint consultative committees (JCCs), Business Review Meetings; Open Forum/ Community Briefings/ Family meetings, periodic village meetings of employees, and Executive Committee (EXCO) meeting in the various Subsidiary Companies and the corporate centre. These meetings are regularly complemented by circulars on issues of current relevance for employee information and /or action.

#### Employee Involvement, Development And Training

Our policy recognises human resources as the most important asset of the organisation. We therefore, seek to retain and motivate skilled work force through systematic training and development. Consequently, training forms a significant part of individual development towards achieving excellence in the performance of day-to-day activities. Training programme at our Training and Conference Centre, Apapa, is complemented by choice training offerings by other notable organisations in Nigeria and overseas. Relevant industrial visits/attachments are also organised where necessary. Additionally self-development by employees is encouraged and we provide financial support for such



endeavour when successfully concluded. We pride ourselves as an organisation that encourages learning by doing through planned on the job coaching and mentoring.

**Employee Engagement Initiative**  
Our Company having recognised that engaged employees drive stakeholder value creation has partnered with the Great Place to Work Institute Nigeria, an International organisation acclaimed for their global expertise in workplace surveys which are published annually in the 100 Best Companies to Work for in over 56 Countries globally. The objective of this exercise is to get feedback from employees while benchmarking UAC workplace practices against its peers and Global Best Companies. This has informed management development effort, alignment of policies and practices geared towards making UAC a Great Place to Work and an employer of choice.

#### Anti-corruption And Business Integrity

Our company does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer give or receive any gift or payment by whatever name called, which is or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. No employee will be criticised for any loss of business resulting from adherence to these principles. The company's accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded

account, fund or asset will be established or maintained.

A whistle blowing policy is also in place to encourage employees at all levels to alert and inform management of any negative development that might impinge on the value, performance and or image of the company before any harm is done.

Similarly, a Corporate fraud policy has been established to facilitate the development of controls which will aid in the detection and prevention of fraud against the company. As a matter of fact, the Company has a zero tolerance for corruption, fraud and related misdemeanours. It is our intention to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

All employees are required to read and sign off on the Corporate Code of Business Principles and Ethics annually as an attestation to their acceptance and readiness to comply with our principles and ethics.

#### Community Service

Our employees offer free teaching services to identified schools during long vacation as part of the Company's Goodness League Initiative. The Company also encourages its employees to be part of Community development initiatives and work in their localities.

UAC of Nigeria PLC's Corporate Social Responsibility initiative – The Goodness League - berthed at the North Central geo-political zone. After the preliminary investigations and the need assessment of the zone, the following schools benefitted from the programme: Government College, Keffi, Nasarawa State; Boys Secondary School, Gindiri, Plateau State; Mount St Gabriel's Secondary School, Makurdi, Benue State and Government College, Bida, Niger State. As is normal with our choices, these are all legacy schools of repute and are standard bearers in the history of secondary schools in the North Central Zone of the country. Apart from Government College, Keffi, Nasarawa State which received 200 sets of three seater desks, the other beneficiaries - Boys Secondary School, Gindiri, Plateau State; Mount St Gabriel's Secondary School, Makurdi, Benue State and Government College, Bida, Niger State were provided with comprehensive sets of science equipment in Physics, Chemistry and Biology. Specifically, UAC's support for these schools derives from the belief that science education is at the heart of the

attainment of the Nigeria project and the country can realize its manifest destiny, at least technologically, with proper and due investment in this critical sector. The Goodness League seeks to address both Hard and Soft issues in the educational sector. While the Hard Issues focus on the positive intervention in legacy schools through the provision of infrastructure, power, and equipment, the Soft Issues aim to identify academic gaps and fill them through a volunteer scheme that enables corporate organisations to do good.

So far, UAC's Legacy Schools Support programme has recorded landmark successes with positive interventions in Legacy Schools in the South West, North West, South South and North Central geo-political zones of the country. The intervention programmes in Legacy Schools in the country have so far benefitted the following schools - St Finbarr's College, Akoka and CMS Grammar School, Bariga, Lagos; Rumfa College, Kano; Government Secondary School, Gwale, Kano; Government College, Kaduna and Alhudahuda College,

Zaria. Furthermore, our support for Enitonna High School, Borokiri, Rivers State; Holy Family College and Holy Trinity College, Mbiakong, Akwa Ibom and Hope Waddell Training Institution, Calabar, Cross River, have also benefited from the initiative.

The programme has been extended to the South East in furtherance of the objectives of bringing succour to schools in the zone. In a bid to consolidate on the achievements of the soft issue plank of the Goodness League initiatives, the Company successfully opened a second Centre of its Free Weekend Classes at Ajegunle in Ajeromi/Ifelodun Local Government Area of Lagos State, where students from the sprawling 16-school complex were provided with an opportunity to benefit from quality teaching and instructions from the UAC-championed initiative. The Free Weekend Classes operate through a Volunteer Scheme made up of UAC Managers with proven competence in the subjects that they teach.

The Soft Issue side of the Goodness League focuses on two key areas – Free Weekend Classes and the Career and Guidance Counselling sessions in

Schools. The Free Weekend Classes is targeted at SSS3 students and holds during the long holiday period while the Career and Guidance sessions target the students when the schools are in session. The Counselling sessions cover secondary school students from SSS1-3.



## Beneficiaries of the UAC Goodness League

- St Finbarr's College, Akoka, Lagos
- CMS Grammar School, Bariga, Lagos
- Rumfa College, Kano
- Govt Sec School, Gwale, Kano
- Alhudahuda College, Zaria
- Govt College, Kaduna
- Enitonna High School, Port Harcourt
- Holy Family College, Abak,akwa Ibom
- Holy Trinity College, Mbiakong, Akwa Ibom State
- Govt College, Gindiri, Plateau State
- Govt College, Keffi, Nassarawa State
- Mount St Gabriels Sec School, Makurdi
- Govt College, Bida

150 Kva Genset & Physics Lab Equipment

Comprehensive Renovation of Abandoned Technical Block

Science Equipment – Physics, Chemistry & Biology

200 Three-Seater Desks

Science Equipment - Physics, Chemistry & Biology

Science Equipment - Physics, Chemistry & Biology

Science Equipment - Physics, Chemistry & Biology

Sets Of Computers, Printers And UPS

Comprehensive Renovation Of Dormitory Block And Refectory

Science Equipment - Physics, Chemistry & Biology

200 Three-Seater Desks

Science Equipment - Physics, Chemistry & Biology

Science Equipment - Physics, Chemistry & Biology

Dated this 24th day of April, 2013

By Order of the Board



Godwin A Samuel, Esq.,  
Company Secretary/Legal Adviser  
FRC/2013/NBA/00000002608



**UAC  
GOODNESS LEAGUE  
FREE WEEKEND CLASSES**

1. UAC Manager taking a class
2. Presentation of Prizes to the best student.
3. Handover of Classroom Furniture to Government College Keffi



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## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UAC OF NIGERIA PLC

### Report on the financial statements

We have audited the accompanying financial statements of UAC of Nigeria Plc (the company) and its subsidiaries (together, the group). These financial statements comprise the statement of financial position as at 31 December 2012 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act 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.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

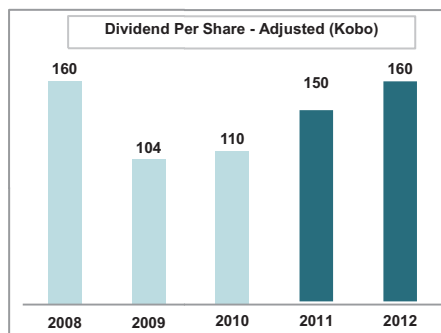
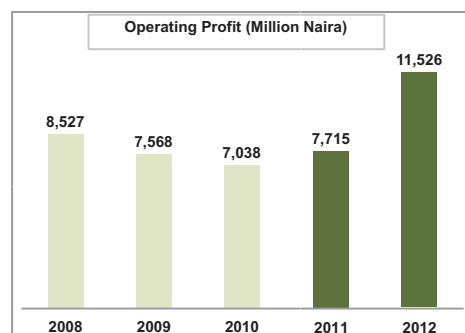
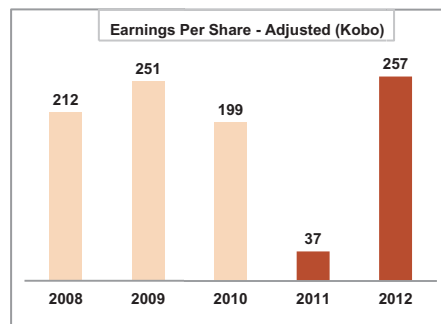
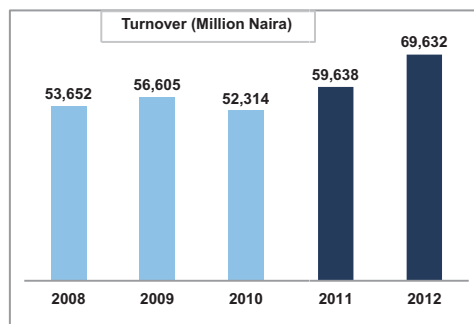
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company and the group at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Acts.

PricewaterhouseCoopers Chartered Accountants, 250E Muri Okunola Street, Victoria Island, Lagos, Nigeria



**2008 - 2010 figures are based on NGAAP while 2011 and 2012 are based on IFRS**



## Report on other legal requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from or examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statement of comprehensive income are in agreement with the bok of account.

*Private House Cooper*

Chartered Accountants  
Lagos, Nigeria

FRC/2013/ICAN/00000000647



## REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UAC OF NIGERIA PLC

In compliance with Solution 359 sub-section 6 of the Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria, 2004, we have reviewed the audited Financial Statements of the Company for the year ended 31st December, 2012 and report as follow:

- (a) The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit are, in our opinion adequate.
- (c) The internal audit and internal control systems are adequate.
- (d) The External Auditors' Management Controls Report was satisfactory dealt with by the Management.

*MR OLABISI FAYOMBO*

MR OLABISI FAYOMBO  
CHAIRMAN OF THE COMMITTEE  
FRC/2013/ICAN/00000002883  
Dated 22nd day of April, 2013

## MEMBERS OF THE COMMITTEE

Mr. Olabisi Fayombo	-	Chairman
Mr. Matthew Akinlade	-	Member
Mr. Nwosu K Nnabike	-	Member
Mr. Abdul A Bello	-	Member
Chief Samuel O Bolarinde	-	Member (resigned wef 18/9/12)
Dr. Suleyman A Ndanusa, OON	-	Member (resigned wef 21/3/13)

SECRETARY  
GODWIN A SAMUEL, Esq.



### Members of the Audit Committee

From left Dr. Suleyman Ndanusa, Chief Samuel Bolaride, Mr. Abdul Bello  
Mr. Olabisi Fayombo, Mr. Matthew Akinlade and Mr. Nwosu Nnabike

## Consolidated Statement of Comprehensive Income



For the year ended 31 December 2012

	Notes	The Group		The Company	
		31 Dec 12 N'ooo	31 Dec 11 N'ooo	31 Dec 12 N'ooo	31 Dec 11 N'ooo
<b>Continuing operations</b>					
Revenue	5	69,632,321	59,637,822	715,227	633,423
Cost of sales		(50,582,561)	(43,777,072)	(4,679)	(3,489)
<b>Gross profit</b>		<b>19,049,760</b>	<b>15,860,750</b>	<b>710,548</b>	<b>629,934</b>
Dividends received		-	5,383	2,758,557	1,623,125
Selling and distribution expenses		(1,507,307)	(1,649,230)	(42,350)	(34,573)
Administrative expenses		(6,187,875)	(7,773,302)	(1,523,082)	(1,784,988)
Gain on disposal of shares in UAC Foods Limited	31	-	-	-	6,754,244
Other gains/(losses)	6	171,443	1,271,537	591,586	767,412
<b>Operating profit</b>		<b>11,526,022</b>	<b>7,715,139</b>	<b>2,495,259</b>	<b>7,955,156</b>
Finance income	8	1,751,801	953,051	1,037,817	814,536
Finance cost	8	(2,532,432)	(1,686,855)	(31,404)	(85,335)
<b>Net finance income / (cost)</b>		<b>(780,631)</b>	<b>(733,804)</b>	<b>1,006,413</b>	<b>729,201</b>
Share of (loss)/profit of associates		-	13,154	-	-
<b>Profit before taxation</b>		<b>10,745,391</b>	<b>6,994,489</b>	<b>3,501,672</b>	<b>8,684,357</b>
Taxation	9	(3,642,440)	(3,586,804)	(671,363)	(1,202,872)
<b>Profit from continuing operations</b>		<b>7,102,951</b>	<b>3,407,685</b>	<b>2,830,309</b>	<b>7,481,486</b>
<b>Discontinued operations</b>					
Loss from discontinued operations	32	-	-	-	(1,844,913)
<b>Profit for the year</b>		<b>7,102,951</b>	<b>3,407,685</b>	<b>2,830,309</b>	<b>5,636,573</b>
<b>Other comprehensive income</b>					
Actuarial gains on defined benefit plan		-	690,247	-	338,759
Deferred tax on actuarial gains		-	(207,074)	-	(101,628)
<b>Other comprehensive income for the period net of taxation</b>		<b>-</b>	<b>483,173</b>	<b>-</b>	<b>237,131</b>
<b>Total comprehensive income for the period</b>		<b>7,102,951</b>	<b>3,890,858</b>	<b>2,830,309</b>	<b>5,873,704</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		4,111,189	585,925	2,830,309	5,636,573
Non controlling interests		2,991,762	2,821,760	-	-

# Consolidated Statement of Comprehensive Income Contd

For the year ended 31 December 2012

Notes	The Group		The Company	
	31 Dec 12 N'ooo	31 Dec 11 N'ooo	31 Dec 12 N'ooo	31 Dec 11 N'ooo
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	4,111,189	959,247	2,830,309	5,873,704
Non controlling interests	2,991,762	2,931,611	-	-
<b>Earnings per share for profit attributable to the equity holders of the group:</b>				
Basic EPS (Kobo)	11	257	37	
Diluted EPS (Kobo)	11	257	37	

The notes on pages 74 to 158 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position



As at 31 December 2012

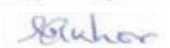
Notes	The Group			The Company		
	31 Dec 12 N'ooo	31 Dec 11 N'ooo	1 Jan 11 N'ooo	31 Dec 12 N'ooo	31 Dec 11 N'ooo	1 Jan 11 N'ooo
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	12	34,623,819	32,893,302	34,317,808	1,011,656	862,600
Intangible assets	13	64,590	68,919	155,207	-	100,046
Investment property	14	33,840,446	27,945,611	21,634,599	2,241,205	1,289,262
Investments in associates and joint ventures	15	307,470	156,508	1,047,708	-	24,000
Available-for-sale financial assets	15(i)	401,373	1,001	1,001	401,373	1,001
Investments in subsidiaries	16	-	-	-	11,246,141	5,196,348
Deferred tax asset	24	23,623	67,450	191,184	-	355,102
		69,261,320	61,132,791	57,347,508	14,900,374	7,308,749
<b>Current assets</b>						
Inventories	17	28,483,630	33,229,085	33,696,909	8,328	20,790
Trade and other receivables	19	11,833,580	11,967,356	7,478,466	968,569	638,619
Financial assets at fair value through profit or loss		-	1,464	10,656	-	-
Cash and short-term deposits	20	13,397,062	15,262,927	7,246,162	5,826,372	9,312,060
		53,714,273	60,460,832	48,432,193	6,803,268	9,971,470
<b>Non-current assets held for sale</b>	32				6,563,072	5,867,038
<b>Total assets</b>		122,975,593	121,593,623	105,779,701	21,703,643	23,843,291
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Borrowings	21	15,018,742	17,691,599	20,623,809	-	10,384
Deferred taxation liabilities	24	3,451,008	2,441,304	2,348,467	-	145,043
Retirement benefit obligation	25	-	3,289,442	3,549,312	-	902,957
Provisions	23	35,032	36,975	37,942	-	18,820
		18,504,783	23,459,320	26,559,530	-	1,077,205
<b>Current liabilities</b>						
Trade and other payables	22	23,543,155	19,246,853	19,134,180	2,756,696	979,601
Current income tax liabilities		3,040,746	3,569,510	3,390,768	816,407	751,592
Bank overdrafts and current portion of borrowings	21	15,246,602	16,203,367	7,081,960	8,469	-
Dividend payable		2,039,049	2,049,481	2,118,820	1,590,277	1,697,424
		43,869,552	41,069,210	31,725,728	5,171,849	3,428,617
<b>Total liabilities</b>		62,374,335	64,518,530	58,285,258	11,375,491	14,511,434
<b>Total equity</b>		60,601,258	57,075,093	47,494,443	10,328,152	9,331,857

As at 31 December 2012

	Notes	The Group			The Company		
		31 Dec 12 N'ooo	31 Dec 11 N'ooo	1 Jan 11 N'ooo	31 Dec 12 N'ooo	31 Dec 11 N'ooo	1 Jan 11 N'ooo
Non-current liabilities associated with assets held for sale	32	-	-	-	-	3,234,902	1,414,951
<b>Total liabilities</b>		<b>62,374,335</b>	<b>64,528,530</b>	<b>58,285,258</b>	<b>5,171,849</b>	<b>7,740,724</b>	<b>9,566,898</b>
<b>Equity</b>							
Ordinary share capital	26	800,360	800,360	800,360	800,360	800,360	800,360
Share Premium		4,094,608	4,094,608	4,094,608	4,094,608	4,094,608	4,094,608
Contingency reserve		28,575	24,551	20,870	-	-	-
Actuarial gains and losses		-	373,322	-	-	237,131	-
Retained earnings		32,102,641	30,023,236	24,310,826	11,636,827	10,970,468	7,094,689
<b>Equity attributable to equity holders of the Company</b>		<b>37,026,185</b>	<b>35,316,077</b>	<b>29,226,664</b>	<b>16,531,794</b>	<b>16,102,567</b>	<b>11,989,657</b>
<b>Non controlling interests</b>		<b>23,575,074</b>	<b>21,749,016</b>	<b>18,267,779</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>60,601,259</b>	<b>57,065,093</b>	<b>47,494,443</b>	<b>16,531,794</b>	<b>16,102,567</b>	<b>11,989,657</b>
<b>Net equity and liabilities</b>		<b>122,975,594</b>	<b>121,593,623</b>	<b>105,779,701</b>	<b>21,703,643</b>	<b>23,843,291</b>	<b>21,556,555</b>

The financial statements on pages 68 to 73 were approved and authorised for issue by the board of directors on April 24, 2013 and were signed on its behalf by:

Mr Larry E. Ettah  GMD/CEO FRC/2013/IODN/00000002692

Mr. Abdul A. Bello  ED/CFO FRC/2013/ICAN/0000000724

## Consolidated Statement of Changes in Equity

The Group								
	Attributable to owners of the Company						Non Controlling Interests N'ooo	Total N'ooo
	Share Capital N'ooo	Share Premium N'ooo	Contingency reserve N'ooo	Actuarial gains and losses N'ooo	Retained Earnings N'ooo	Total N'ooo		
At 1 January 2011	800,360	4,094,608	20,870	-	24,310,826	29,226,664	18,267,779	47,494,443
Transfer to contingency reserve			3,681		(3,681)	-		-
Profit and loss					585,925	585,925	2,821,760	3,407,685
<b>Other comprehensive income:</b>								
Post tax actuarial gains on defined benefit plan				373,322		373,322	109,851	483,173
Profit on Shares sold to Non-controlling interest					6,890,960	6,890,960	1,910,208	8,801,168
Dividends paid					(1,760,793)	(1,760,793)	(1,360,583)	(3,121,376)
						-		-
<b>Balance at 31 December 2011</b>	<b>800,360</b>	<b>4,094,608</b>	<b>24,551</b>	<b>373,322</b>	<b>30,023,237</b>	<b>35,316,077</b>	<b>21,749,016</b>	<b>57,065,093</b>
Balance at 1 January 2012	800,360	4,094,608	24,551	373,322	30,023,237	35,316,077	21,749,016	57,065,093
Transfer to contingency reserve			4,024		(4,024)			
Profit and loss					4,111,189	4,111,189	2,991,762	7,102,951
Release of actuarial gains as a result of curtailment				(373,322)	373,322	-	-	-
Dividends	-	-			(2,401,082)	(2,401,082)	(1,165,704)	(3,566,786)
Balance at 31 December 2012	800,360	4,094,608	28,575	-	32,102,640	37,026,185	23,575,074	60,601,259

	Company					
	Attributable to owners of the Company					
	Share Capital N'ooo	Share Premium N'ooo	Contingency reserve N'ooo	Actuarial gains and losses N'ooo	Retained Earnings N'ooo	TOTAL N'ooo
At 1 January 2011	800,360	4,094,608	-	-	7,094,689	11,989,657
Profit and loss					5,636,573	5,636,573
<b>Other comprehensive income:</b>						
Post tax actuarial gains				237,131		237,131
Dividends paid					(1,760,793)	(1,760,793)
						-
<b>Balance at 31 December 2011</b>	<b>800,360</b>	<b>4,094,608</b>	<b>-</b>	<b>237,131</b>	<b>10,970,468</b>	<b>16,102,568</b>
Balance at 1 January 2012	800,360	4,094,608	-	237,131	10,970,468	16,102,568
Profit and loss					2,830,309	2,830,309
Discontinued divisions				(109,786)	109,786	-
Release of actuarial gain as a result of curtailment				(127,346)	127,346	-
Dividends					(2,401,082)	(2,401,082)
<b>Balance at 31 December 2012</b>	<b>800,360</b>	<b>4,094,608</b>	<b>-</b>	<b>-</b>	<b>11,636,827</b>	<b>16,531,795</b>

For the year ended 31 December 2012

	Notes	The Group		The Company	
		2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	15,079,458	(353,402)	(1,443,780)	(368,254)
Taxation		(3,117,672)	(3,398,567)	(742,974)	(1,079,652)
Interest & other finance charges paid		(2,532,432)	(1,686,855)	(31,404)	(85,335)
<b>Net cash flow generated from operating activities</b>		<b>9,429,353</b>	<b>(5,438,823)</b>	<b>(2,218,158)</b>	<b>(1,533,241)</b>
<b>Cash flows from investing activities</b>					
Interest received		1,749,152	953,051	1,037,817	814,536
Dividend received		-	5,383	2,758,557	1,623,125
Purchase of Intangible assets		29,996	-	-	-
Purchase of property, plant and equipment		(5,476,975)	(2,968,422)	(350,754)	(231,688)
Proceeds from sale of property, plant and equipment		778,770	773,980	2,599	676,820
Purchase of investment property		(150,903)	(47,078)	-	-
Proceeds from sale of investment property		228,571	1,467,837	-	-
Purchase of investments		(400,372)	-	(2,378,793)	-
Proceeds from disposal of investments		66,040	623,675	66,040	9,205,000
<b>Net cash used in investing activities</b>		<b>(3,175,721)</b>	<b>808,426</b>	<b>1,135,467</b>	<b>12,087,794</b>
<b>Cash flows from financing activities</b>					
Proceeds from sale of shares to NCI		-	9,205,000	-	-
Dividends paid to non controlling interests		(1,165,704)	(1,360,583)	-	-
Dividends paid to Company shareholders		(2,401,082)	(1,760,793)	(2,401,082)	(1,760,793)
Repayment of borrowings		(2,672,857)	(2,932,210)	(10,384)	-
Increase/(decrease) in commercial papers		-	-	-	(1,500,000)
<b>Net cash flow used in financing activities</b>		<b>(6,239,643)</b>	<b>3,151,414</b>	<b>(2,411,466)</b>	<b>(3,260,793)</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>13,990</b>	<b>(1,478,983)</b>	<b>(3,494,158)</b>	<b>7,293,759</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>4,376,471</b>	<b>5,855,454</b>	<b>9,312,060</b>	<b>2,018,301</b>
<b>Foreign exchange gains/ (losses) on cash and cash equivalents</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	20	<b>4,390,460</b>	<b>4,376,470</b>	<b>5,817,902</b>	<b>9,312,061</b>

## 1. General information

UAC of Nigeria Plc ('the Company') and its subsidiaries (together 'the Group') are companies incorporated in Nigeria. The Group is a diversified business with activities in the following principal sectors: Foods, Logistics, Real Estate and Paints. The address of the registered office is 1-5, Odunlami Street, Lagos. The company is a public limited company, which is listed on the Nigerian Stock Exchange, domiciled in Nigeria.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on a historical cost basis except for investment property, held for trading and available for sale financial instruments which are carried at fair value. The policies set out below have been consistently applied to all the years presented. These are the first set of IFRS financial statements, refer to the IFRS 1 Note (34.1) for details on the IFRS exceptions and exemptions taken.

### 2.1.2 Changes in accounting policy and disclosures

#### (a) New and amended standards adopted by the group

The following new standards, amendments to standards and interpretations have been adopted for the financial year ending 31 December 2012:

All IFRS standards have been adopted for the first time this year. For details of this impact refer to the IFRS 1 note.

(b) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 31 December 2012 and have not been early adopted

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This is expected to impact disclosures around investment properties, the impacts on the measurement of investment properties has not yet been assessed.



IAS 19, 'Employee benefits', was amended in June 2011. The major impact is on the expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 not later than the accounting period beginning on or after 1 January 2013.

IFRS 11, 'Joint arrangements', was published in May 2011 and provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The group has not yet assessed the impact of the new standard on its existing joint arrangements.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

## 2. Summary of significant accounting policies continued

### 2.2 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values 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.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through 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 IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company 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.



**(b) Changes in ownership interests in subsidiaries without change 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.

**(c) 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.

**(d) Associates and Joint Ventures**

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. 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. The group's investment in associates includes goodwill identified on 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.

Joint ventures are investments where the group exerts joint control. Investments in joint ventures are accounted for using the equity method of accounting.

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 equals or exceeds its interest in the associate, 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 group's 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.

**2.3 Segment reporting**

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 that makes strategic decisions.

**2.4 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 financial statements are presented in Naira (N), which is the group'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 profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'.

*(c) Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

## 2. Accounting policies continued

### 2.5 Property, plant and equipment

Land and buildings comprise mainly of factories and offices.

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.

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

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 or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings	Up to 99 years
Leasehold buildings	Lease terms vary from 5 to 25 years
Heavy industrial plant	5 to 10 years
Furniture and office Equipment	3 to 5 years
Light industrial plant	2 to 5 years
Heavy vehicles	7 to 10 years
Light vehicles	4 to 6 years
Computer equipment	3 to 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Impairment Note 2.8 for further detail).

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss for the period.

### 2.6 Intangible assets

#### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over UACN Plc's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

#### (b) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

## 2.7 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 consolidated 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 internal and external valuation experts. Each property is valued by an external valuer at least every three years.

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.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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. 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. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

## 2. Accounting policies continued

### 2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.9 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

### 2.10 Financial assets

#### 2.10.1 Classification

The group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 2.14 and 2.15).

##### (b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These include investments in shares.

### (C) Fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

As of 31 December 2012 the group had disposed of all instruments classified at fair value through profit or loss.

#### 2.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs, except for instruments carried at fair value through profit or loss which are recognised at fair value with transactions costs being expensed to profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

Changes in the fair value of classified as fair value through profit or loss are recognised in profit or loss.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

#### 2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.12 Impairment of financial assets

##### (a) Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If an asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(b) Assets classified as available for sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets are impaired. For debt securities, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

## 2. Accounting policies continued

### 2.13 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is based on standard costing that comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.14 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Impairment is performed in accordance with the policy on impairment of financial assets 2.12(a). If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

#### Company Owned Franchise Operated assets (COFO assets)

During the 2010 period, UAC Restaurants moved away from a restaurant owned model to a franchise operated model. As part of the conversion to the new model, the assets of some restaurants were sold to the franchisees on deferred payment terms.

These receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### 2.15 Cash, cash equivalents and bank overdrafts

Cash, cash equivalents and bank overdrafts includes cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the Group's cash management.

### 2.16 Borrowings

Interest-bearing bank loans and overdrafts are recorded 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 accruals 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.

### 2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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.

## 2.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.19 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.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

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.

Provisions are 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 interest expense.

## 2.20 Share capital

Ordinary shares are classified as equity.

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.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

## 2. Accounting policies continued

### 2.21 Current and deferred income tax

The tax for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

### 2.22 Employee benefits

#### Pension scheme

The group has both defined benefit and defined contribution plans. 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. A defined benefit plan is a pension plan that is not a defined contribution plan.



Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### (a) Gratuity Scheme

The Group operates a gratuity scheme. Under this scheme all full time employees are entitled to a defined percentage of their final salary based on the number of years they worked for the group to be paid upon retirement. To be eligible for the scheme the employee must have worked for the Group for a minimum of 5 years. This scheme meets the definition of a defined benefit plan.

During the beginning of the period ended 31 December 2012, the scheme was modified. As a result of the modification the Group will contribute on an annual basis a fixed percentage of the employees salary to a fund. The funds will be invested on behalf of the employees and they will receive a payout based on the return of the fund upon retirement. Based on the modifications of this scheme it is treated as a defined contribution scheme from 1 January 2012.

#### (b) Defined Contribution scheme

The Pensions Reform Act of 2004 requires all companies to pay a minimum of 7.5% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees. This is classified as a defined contribution plan.

The contributions are recognised as employee benefit expenses when they are due. The group has no further payment obligation once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

#### (c) Profit-sharing and bonus plans

All full time staff are eligible to participate in the profit-sharing scheme. The group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 2. Accounting policies continued

### 2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes and income from the provision of technical services and agreements. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

#### Group

##### (a) Sale of real estate

The group assesses whether the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress for each of its contracts to assess whether to treat these as the sale of goods or construction contracts.

At this stage all contracts are treated as sale of goods.

Revenue is recognised when risks and rewards have passed to the buyer, typically this is evidenced when the buyer is granted access to the properties. The granting of the legal title is an administrative matter that can have significant delays.

##### (b) Rental income

Revenue includes rental income, and service charges and management charges from properties.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Service and management charges are recognised in the accounting period in which the services are rendered. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

##### (c) Food and beverages

Revenue arising from the sale of food and beverages represents sales of food items, livestock feeds, bottled water, fruit juices, ice-cream and Quick Service Restaurants.

Revenue for the sale of food and beverages is recognised when the risks and rewards associated with ownership are transferred to the buyer. Due to the short term nature of these transactions no significant judgements are required.

Franchise fees are recognised when services or conditions relating to the sale have been substantially performed or satisfied by the Franchisor.



## (d) Commercial vehicles

Sales of commercial vehicles represent sales of commercial vehicles to dealerships. Revenue arising from these contracts is recognised when the risks and rewards associated with ownership are transferred to the dealership.

## (e) Paint

Revenue for the sale of paints and other decoratives is recognised when the risks and rewards associated with ownership are transferred to the buyer. Due to the short term nature of these transactions no significant judgements are required.

## (f) Logistics

Revenue from logistics represents revenue from the provision of transport, warehousing and associated services.

Revenue is recognised as the service is provided.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**Company**

## (g) Management 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.

## (h) Dividend income

Dividend income from group entities is recognised once the right to receive payment has been established.

**2.24 Leases**

## (a) The group company is a lessee

## (i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

## (ii) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non current borrowings. The interest element of the finance cost is treated as borrowing costs (see Note 2.18) and expensed/capitalised over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Investment properties recognised under finance leases are carried at their fair value.

## (b) The group company is a lessor

## (i) Operating lease

Refer to revenue recognition policy.

**2.25 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. In respect of interim dividends these are recognised once paid.

## 3. Financial risk management

### 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.

Working with an external consultant, the group is currently developing a risk management framework. At present, risk management functions are carried out by the individual business units.

#### (a) Market risk

##### (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 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 only foreign operation is Mr Biggs Ghana which is in the process of winding up.

The group does not make use of derivatives to hedge its exposures. Letters of credit are issued by the business units to the foreign suppliers for the direct purchase of materials, other materials are purchased through local importers in Naira.

The groups concentration of foreign exchange risk is as follows:

GROUP	31 December 2012				
	Naira N'ooo	USD N'ooo	GBP N'ooo	Others N'ooo	Total N'ooo
<b>Financial assets</b>					
Available for sale investments	401,373	-	-	-	401,373
Trade and other receivables	11,823,623	9,958	-	-	11,833,580
Cash and short-term deposits	13,376,758	15,461	1,866	2,978	13,397,062
	<b>25,601,753</b>	<b>25,418</b>	<b>1,866</b>	<b>2,978</b>	<b>25,632,015</b>
<b>Financial liabilities</b>					
Long term borrowings	15,018,742	-	-	-	15,018,742
Current portion of long term borrowings	6,240,000	-	-	-	6,240,000
Trade and other payables	23,543,155	-	-	-	23,543,155
Bank overdrafts	9,006,602	-	-	-	9,006,602
	<b>53,808,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,808,498</b>
GROUP	31 December 2011				
	Naira N'ooo	USD N'ooo	GBP N'ooo	Others N'ooo	Total N'ooo
<b>Financial assets</b>					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	11,948,584	18,773	-	-	11,967,356
Financial instruments at fair value through profit or loss	1,464	-	-	-	1,464
Cash and short-term deposits	15,208,899	49,969	3,789	270	15,262,927
	<b>27,159,948</b>	<b>68,742</b>	<b>3,789</b>	<b>270</b>	<b>27,232,748</b>
<b>Financial liabilities</b>					
Long term borrowings	17,691,599	-	-	-	17,691,599
Current portion of long term borrowings	5,316,911	-	-	-	5,316,911
Trade and other payables	19,246,853	-	-	-	19,246,853
Bank overdrafts	10,886,456	-	-	-	10,886,456
	<b>53,141,819</b>	<b>-</b>	<b>249,917</b>	<b>-</b>	<b>53,141,819</b>
GROUP	1 January 2011				
	Naira N'ooo	USD N'ooo	GBP N'ooo	Others N'ooo	Total N'ooo
<b>Financial assets</b>					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	7,470,649	7,817	-	-	7,478,466
Financial instruments at fair value through profit or loss	10,656	-	-	-	10,656
Cash and short-term deposits	7,238,606	5,716	1,578	263	7,246,162
	<b>14,720,911</b>	<b>13,533</b>	<b>1,578</b>	<b>263</b>	<b>14,736,285</b>

### Financial liabilities

Long term borrowings	20,623,809	-	-	-	20,623,809
Current portion of long term borrowings	5,691,252	-	-	-	5,691,252
Trade and other payables	19,134,180	-	-	-	19,134,180
Bank overdrafts	1,390,708	-	-	-	1,390,708
	<b>46,839,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,839,949</b>

Naira N'ooo	USD N'ooo	GBP N'ooo	Others N'ooo	Total N'ooo
20,623,809	-	-	-	20,623,809
5,691,252	-	-	-	5,691,252
19,134,180	-	-	-	19,134,180
1,390,708	-	-	-	1,390,708
<b>46,839,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,839,949</b>

The total impact on profit and equity if Naira was to decrease by 1% across currencies would be as follows:

31-Dec-12 N'ooo	GROUP 31-Dec-11 N'ooo	01-Jan-11 N'ooo
305	728	148

Management considers a 1% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets and liabilities vis a vis the Naira.

### COMPANY

COMPANY	31 December 2012				
	Naira N'ooo	USD N'ooo	GBP N'ooo	Others N'ooo	Total N'ooo
<b>Financial assets</b>					
Available for sale investments	401,373	-	-	-	401,373
Trade and other receivables	968,569	-	-	-	968,569
Cash and short-term deposits	5,816,551	8,004	1,801	17	5,826,372
	<b>7,186,493</b>	<b>8,004</b>	<b>1,801</b>	<b>17</b>	<b>7,196,314</b>
<b>Financial liabilities</b>					
Trade and other payables	2,756,696	-	-	-	2,756,696
Bank overdrafts	8,469	-	-	-	8,469
	<b>2,765,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,765,166</b>

### COMPANY

COMPANY	31 December 2011				
	Naira N'000	USD N'000	GBP N'000	Other N'000	Total N'000
<b>Financial assets</b>					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	619,846	18,773	-	-	638,619
Cash and short-term deposits	9,301,588	10,052	404	17	9,312,060
	<b>9,922,435</b>	<b>28,824</b>	<b>404</b>	<b>17</b>	<b>9,951,680</b>
<b>Financial liabilities</b>					
Finance lease liabilities	10,384	-	-	-	10,384
Trade and other payables	979,601	-	-	-	979,601
	<b>989,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>989,985</b>

### COMPANY

COMPANY	1 January 2011				
	Naira N'ooo	USD N'ooo	GBP N'ooo	Other N'ooo	Total N'ooo
<b>Financial assets</b>					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	2,736,370	7,817	-	-	2,744,187
Cash and short-term deposits	2,069,916	3,565	1,076	16	2,074,573
	<b>4,807,287</b>	<b>11,382</b>	<b>1,076</b>	<b>16</b>	<b>4,819,761</b>
<b>Financial liabilities</b>					
Long term borrowings	168,386	-	-	-	168,386
Finance lease liabilities	122,093	-	-	-	122,093
Current portion of long term borrowings	1,500,000	-	-	-	1,500,000
Trade and other payables	2,121,320	-	-	-	2,121,320
Bank overdrafts	56,271	-	-	-	56,271
	<b>3,968,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,968,071</b>

The total impact on profit and equity if Naira was to decrease by 1% across currencies would be as follows:

	31-Dec-12 N'ooo	COMPANY 31-Dec-11 N'ooo	01-Jan-11 N'ooo
	102	292	125

(ii) Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss, these exposures are limited and the group has sold all of the fair value through profit or loss investments by 31 December 2012.

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 and no commodity exchange exists within Nigeria. There are operational controls in place to monitor qualities and to ensure that sufficient quantities are produced 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, import action are undertaken.

(iii) Cash flow and fair value interest rate risk

cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. 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.

The Group's interest rate risk concentration is as follows:

GROUP	Weighted average Interest rate %	31 December 2012 Interest bearing		Non-interest bearing
		Variable rate	Fixed rate	
		N'ooo	N'ooo	
<b>Financial assets</b>				
Available for sale investments		-	-	401,373
Trade and other receivables		-	-	11,833,580
Cash and bank balances		-	-	3,752,044
Short-term deposits	13.1	-	9,645,018	-
		-	<b>9,645,018</b>	<b>15,986,998</b>
<b>Financial liabilities</b>				
Long term borrowings	12.3	-	21,258,742	-
Trade and other payables		-	-	23,543,155
Bank overdrafts	14.9	9,006,602	-	-
		<b>9,006,602</b>	<b>21,258,742</b>	<b>23,543,155</b>
GROUP	Weighted average	31 December 2011 Interest bearing		Non-interest bearing
		Variable rate	Fixed rate	
<b>Financial assets</b>				
Available for sale investments		-	-	1,001
Trade and other receivables		-	-	11,967,356
Financial instruments at fair value through profit or loss		-	-	1,464
Cash and bank balances		-	-	1,396,470
Short-term deposits	10.6	-	13,866,456	-
		-	<b>13,866,456</b>	<b>13,366,292</b>
<b>Financial liabilities</b>				
Borrowings	11.5	-	23,008,510	-
Trade and other payables		-	-	19,246,853
Bank overdrafts	12.6	10,886,456	-	-
		<b>10,886,456</b>	<b>23,008,510</b>	<b>19,246,853</b>

## GROUP

### Financial assets

Available for sale investments	-	-	1,001
Trade and other receivables	-	-	7,478,466
Financial instruments at fair value through profit or loss	-	-	10,656
Cash and bank balances	-	-	3,477,916
Short-term deposits	4.5	-	3,768,246
		-	<b>3,768,246</b>

### Financial liabilities

Borrowings	11.5	-	26,315,061	-
Trade and other payables		-	-	19,134,180
Bank overdrafts	13.3	1,390,708	-	-
		<b>1,390,708</b>	<b>26,315,061</b>	<b>19,134,180</b>

## COMPANY

### Financial assets

Available for sale investments	-	-	401,373
Trade and other receivables	-	-	968,569
Cash and bank balances	-	-	26,372
Short-term deposits	14.5	-	5,800,000
		-	<b>5,800,000</b>

### Financial liabilities

Trade and other payables	-	-	2,756,696
Bank overdrafts	14.6	8,469	-
		<b>8,469</b>	<b>2,756,696</b>

## COMPANY

### Financial assets

Available for sale investments	-	-	-
Trade and other receivables	-	-	1,001
Cash and bank balances	-	-	638,619
Short-term deposits	13.1	-	8,602,002
		-	<b>8,602,002</b>

### Financial liabilities

Borrowings	18	-	10,384	-
Trade and other payables		-	-	979,601
		-	<b>10,384</b>	<b>979,601</b>

## COMPANY

### Financial assets

Available for sale investments	-	-	1,001
Trade and other receivables	-	-	2,744,187
Cash and bank balances	-	-	776,868
Short-term deposits	5.1	-	1,297,705
		-	<b>1,297,705</b>

## Financial liabilities

Borrowings	11.4	-	1,622,093	-
Trade and other payables		-	-	2,121,320
Bank overdrafts		56,271	-	-
		<b>56,271</b>	<b>1,622,093</b>	<b>2,121,320</b>

Group	
31 Dec 12	31 Dec 11
(270,198)	(326,594)

A 3% increase in interest rates would have the following impact on profit and equity.

Company	
31 Dec 12	31 Dec 11
(254)	-

A 3% increase in interest rates would have the following impact on profit and equity.

Management considers that a 3% shift in interest rate is reasonable as the interest rate has fluctuated by a maximum of 3% in 2012.

## (b) Credit risk

Credit risk is monitored on a group basis, however it is managed on a business unit level. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, accounts receivable and deposits with banks and financial institutions.

For banks and financial institutions, the group utilises institutions that have manageable reputational risk but do not strictly monitor their formal ratings. In addition the group monitors its exposures with individual institutions and has internal limits to control maximum exposures. The group does not maintain a minimum threshold for its investments based on credit rating. When considering investments the group compares the risk exposure to the returns provided by the institution.

Credit terms are set with customers based on past experiences, payment history and reputation of the customers.

Credit terms for manufacturing business units are short term, typically 30 days, for service driven units these range from 30 - 60 days.

Rental businesses collect amounts in advance to limit exposures.

## Concentration of credit risk

GROUP	31 December 2012			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	6,056,018	1,239,062	2,632,267	2,184,689
Other receivables	4,400,417	4,400,417	-	-
Advances to staff	142,899	142,899	-	-
Cash and bank balances	3,752,044	3,752,044	-	-
Short term deposits	9,645,018	9,645,018	-	-
	<b>23,996,396</b>	<b>19,179,440</b>	<b>2,632,267</b>	<b>2,184,689</b>

GROUP	31 December 2011			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	7,193,734	1,590,570	1,163,545	4,439,619
Other receivables	2,176,977	2,176,977	-	-
Advances to staff	966	966	-	-
Cash and bank balances	1,396,470	1,396,470	-	-
Short term deposits	13,866,456	13,866,456	-	-
	<b>24,634,604</b>	<b>19,031,440</b>	<b>1,163,545</b>	<b>4,439,619</b>

## GROUP

	1 January 2011			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	5,125,284	1,322,669	1,317,198	2,485,417
Other receivables	2,820,490	2,820,490	-	-
Advances to staff	518	518	-	-
Cash and bank balances	3,477,916	3,477,916	-	-
Short term deposits	3,768,246	3,768,246	-	-
	<b>15,192,454</b>	<b>11,389,839</b>	<b>1,317,198</b>	<b>2,485,417</b>

## COMPANY

	31 December 2012			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	46,840	-	-	46,840
Receivables from group companies	902,630	902,630	-	-
Other receivables	-	-	-	-
Advances to staff	15,596	15,596	-	-
Cash and bank balances	26,372	26,372	-	-
Short term deposits	5,800,000	5,800,000	-	-
	<b>6,791,439</b>	<b>6,744,599</b>	<b>-</b>	<b>46,840</b>

## COMPANY

	31 December 2011			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	40,963	480,460	329,046	(768,543)
Receivables from group companies	649,718	622,549	27,169	-
Other receivables	-	-	-	-
Advances to staff	14,832	14,832	-	-
Cash and bank balances	710,058	710,058	-	-
Short term deposits	8,602,002	8,602,002	-	-
	<b>10,017,574</b>	<b>10,429,902</b>	<b>356,216</b>	<b>(768,543)</b>

## COMPANY

	1 January 2011			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	2,328,844	393,917	571,270	1,363,657
Receivables from group companies	440,432	440,432	-	-
Other receivables	-	-	-	-
Advances to staff	56,675	56,675	-	-
Cash and bank balances	776,868	776,868	-	-
Short term deposits	1,297,705	1,297,705	-	-
	<b>4,900,524</b>	<b>2,965,596</b>	<b>571,270</b>	<b>1,363,657</b>

Details of the credit quality of performing assets are as follows:

	31-Dec-12	GROUP 31-Dec-11	01-Jan-11	31-Dec-12	COMPANY 31-Dec-11	01-Jan-11
<b>Counterparties without external credit ratings</b>						
<u>Trade receivables</u>						
Group 1	536,641	76,301	437,050	-	256,827	232,924
Group 2	251,169	1,088,924	458,959	-	72,219	77,067
Group 3	451,252	425,345	426,660	-	151,414	83,926
	<b>1,239,062</b>	<b>1,590,570</b>	<b>1,322,669</b>	<b>-</b>	<b>480,460</b>	<b>393,917</b>
<u>Intergroup balances</u>						
Group 1	-	-	-	-	-	-
Group 2	-	-	-	902,630	622,549	440,432
Group 3	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>902,630</b>	<b>622,549</b>	<b>440,432</b>
<u>Cash and short term deposits</u>						
Group 1	2,025,139	995,890	2,505,121	1,334,740	471,953	696,480
Group 2	-	-	-	-	-	-
Group 3	-	-	-	-	-	-
	<b>2,025,139</b>	<b>995,890</b>	<b>2,505,121</b>	<b>1,334,740</b>	<b>471,953</b>	<b>696,480</b>

The group defines the ratings as follows:

- Group 1** - These are balances with Blue Chip, Listed and other large entities with a low chance of default.  
**Group 2** - These are balances with small - medium sized entities with no history of defaults  
**Group 3** - These are balances with small - medium sized entities with a history of defaults or late payments.

	31-Dec-12	GROUP 31-Dec-11	01-Jan-11	31-Dec-12	COMPANY 31-Dec-11	01-Jan-11
<b>Counterparties with external credit ratings</b>						
<u>Cash and Short term deposits</u>						
AAA	10,127	5,144	1,911	-	3,787	263
AA-	1,322,684	1,970,008	830,257	255,315	531,208	271,562
A+	552,366	837,391	566,165	-	130,888	92,148
A	1,000,000	2,300,822	-	1,000,000	2,300,822	-
BBB+	160,367	150,650	101,616	-	-	-
BBB	3,538,512	-	-	1,472,213	-	-
BBB-	51,071	2,349,386	657,871	0.4	1,505,188	20,870
B+	422,702	530,501	768,091	3,360	440,437	180,920
B	223,870	279,655	302,368	-	-	-
B-	4,078,116	5,404,431	1,415,562	1,759,088	3,909,063	792,540
CCC	12,108	439,050	97,199	1,656	18,715	19,791
	<b>11,371,923</b>	<b>14,267,036</b>	<b>4,741,041</b>	<b>4,491,632</b>	<b>8,840,107</b>	<b>1,378,093</b>

External ratings were based on ratings according to Fitch Rating and Agosto & Co.  
The Directors have assessed that there are no increased risk to the group's cash and short term deposits with banks that are rated less than an A as they have done proper due diligence on these institutions and continuously monitor their performance. Also deposit with banks are insured by the Nigerian Deposit Insurance Corporation.

Details of the past due but not impaired assets are as follows:

	31-Dec-12	GROUP 31-Dec-11	01-Jan-11	31-Dec-12	COMPANY 31-Dec-11	01-Jan-11
<u>Trade receivables</u>						
Past due by 1-30 days	2,237,427	954,107	1,106,446	-	292,851	474,154
Past due by 31-60 days	394,840	209,438	210,752	-	36,195	97,116
	<b>2,632,267</b>	<b>1,163,545</b>	<b>1,317,198</b>	<b>-</b>	<b>329,046</b>	<b>571,270</b>

Details of the impaired assets are as follows:

	31-Dec-12	GROUP 31-Dec-11	01-Jan-11	31-Dec-12	COMPANY 31-Dec-11	01-Jan-11
<u>Trade receivables</u>						
Past due by 1-60 days	-	-	-	-	-	-
Past due by 61-180 days	1,529,282	3,733,630	2,297,956	-	(822,563)	1,271,782
Past due > 180 days	655,407	705,990	187,461	46,840	54,020	91,875
	<b>2,184,689</b>	<b>4,439,619</b>	<b>2,485,417</b>	<b>46,840</b>	<b>(768,543)</b>	<b>1,363,657</b>

Reconciliation of the provision for impairment:

	31-Dec-12	GROUP 31-Dec-11	31-Dec-12	COMPANY 31-Dec-11
<u>Trade receivables</u>				
At 1 January	1,771,935	1,972,535	82,108	1,088,030
Provision for receivables impairment	(254,568)	-	11,245	(1,005,922)
Receivables written off during the year	-	(200,600)	-	-
UAC Restaurant & MDS provision transferred out of company	-	-	(46,512)	-
At 31 December	<b>1,517,367</b>	<b>1,771,935</b>	<b>46,840</b>	<b>82,108</b>

(c) Liquidity risk

requirements to ensure it has sufficient cash to meet operational needs. The group also ensures that at all times the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The group is finalising new policies on cash reserves and liquidity.

Surplus cash is managed individually by the business units and monitored by the Group.

date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 31 December 2012</b>				
Borrowings (excluding finance lease liabilities)	-	7,615,000	16,268,742	-
Finance lease liabilities	-	-	-	-
Trade and other payables	23,543,155	9,006,602	-	-
Bank overdrafts	-	-	-	-
	<b>23,543,155</b>	<b>16,621,602</b>	<b>16,268,742</b>	<b>-</b>

	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 31 December 2011</b>				
Borrowings (excluding finance lease liabilities)	-	6,816,911	20,316,599	-
Finance lease liabilities	-	-	-	-
Trade and other payables	19,246,853	10,886,456	-	-
Bank overdrafts	-	-	-	-
	<b>19,246,853</b>	<b>17,703,367</b>	<b>20,316,599</b>	<b>-</b>

	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 1 January 2011</b>				
Borrowings (excluding finance lease liabilities)	-	7,191,252	24,748,809	-
Finance lease liabilities	11,992.41	35,977	83,947	-
Trade and other payables	19,134,180	-	-	-
Bank overdrafts	-	1,390,708	-	-
	<b>19,146,172</b>	<b>8,617,938</b>	<b>24,832,756</b>	<b>-</b>

	COMPANY			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 31 December 2012</b>				
Borrowings (excluding finance lease liabilities)				
Finance lease liabilities	2,756,696	8,469		
Trade and other payables				
Bank overdrafts				
	<b>2,756,696</b>	<b>8,469</b>	-	-

	COMPANY			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 31 December 2011</b>				
Borrowings (excluding finance lease liabilities)				
Finance lease liabilities	3,234,902			
Liabilities associated with non-current assets held for sale	979,601			
Trade and other payables				
	<b>4,214,503</b>	-	-	-

	COMPANY			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
<b>At 1 January 2011</b>				
Borrowings (excluding finance lease liabilities)		1,500,000	168,386	
Finance lease liabilities	-	2,200	8,800	94,600
Liabilities associated with non-current assets held for sale	1,414,951			
Trade and other payables	2,121,320			
Bank overdrafts		56,271		
	<b>3,536,271</b>	<b>1,558,471</b>	<b>177,186</b>	<b>94,600</b>

## 3.2 Capital risk management

for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 consolidated balance sheet including non controlling interest. The group has a debt/equity threshold of 0.6 times.

	2012	2011
Interest bearing debt	30,265,344	33,894,966
Total equity	60,601,259	57,065,093
<b>Total capital</b>	<b>90,866,603</b>	<b>90,960,059</b>
<b>Gearing ratio</b>	<b>0.50</b>	<b>0.59</b>

## 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2012.

	GROUP			COMPANY		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Financial assets at fair value through profit or loss						
- Trading securities	-	-	-	-	-	-
Available-for-sale financial assets						
- Equity securities	400,372	-	-	400,372	-	-
<b>Total assets</b>	<b>400,372</b>	<b>-</b>	<b>-</b>	<b>400,372</b>	<b>-</b>	<b>-</b>

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2011.

	GROUP			COMPANY		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Financial assets at fair value through profit or loss						
- Trading equity securities	1,464	-	-	-	-	-
Available-for-sale financial assets						
- Equity securities	-	-	-	-	-	-
<b>Total assets</b>	<b>1,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table presents the group's assets and liabilities that are measured at fair value at 1 January 2011.

	GROUP			COMPANY		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Financial assets at fair value through profit or loss						
- Trading equity securities	10,656	-	-	-	-	-
Available-for-sale financial assets						
- Equity securities	-	-	-	-	-	-
<b>Total assets</b>	<b>10,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an

The following table presents the group's financial assets and liabilities that are not measured at fair value:

	31/Dec/12		GROUP 31/Dec/11		1/Jan/11	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Assets</b>						
Available-for-sale financial assets carried at cost less impairment	1,001	1,001	1,001	1,001	1,001	1,001
Trade receivables	4,538,651	4,538,651	5,421,800	5,421,800	3,152,750	3,152,750
Receivables from group companies	-	-	-	-	-	-
Cash and short-term deposits	13,397,062	13,397,062	15,262,927	15,262,927	7,246,162	7,246,162
	<b>17,936,714</b>	<b>17,936,714</b>	<b>20,685,727</b>	<b>20,685,727</b>	<b>10,399,913</b>	<b>10,399,913</b>
<b>Liabilities</b>						
Borrowings	15,018,742	12,368,716	17,691,599	16,997,258	20,623,809	19,850,091
Bank overdrafts and current portion of borrowings	15,246,602	15,246,602	16,203,367	16,203,367	7,081,960	7,081,960
Trade payables	5,167,653	5,167,653	5,222,045	5,222,045	7,707,450	7,707,450
	<b>35,432,997</b>	<b>32,782,971</b>	<b>39,117,011</b>	<b>38,422,670</b>	<b>35,413,219</b>	<b>34,639,501</b>



	31/Dec/12		Company 31/Dec/11		1/Jan/11	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Assets</b>						
Available-for-sale financial assets carried at cost less impairment	1,001	1,001	1,001	1,001	1,001	1,001
Trade receivables	-	-	(41,145)	(41,145)	1,240,814	1,240,814
Receivables from group companies	902,630	902,630	649,718	649,718	440,432	440,432
Cash and short-term deposits	5,826,372	5,826,372	9,312,060	9,312,060	2,074,573	2,074,573
	<b>6,730,003</b>	<b>6,730,003</b>	<b>9,921,635</b>	<b>9,921,635</b>	<b>3,756,820</b>	<b>3,756,820</b>
<b>Liabilities</b>						
Borrowings	-	-	10,384	10,384	290,479	290,479
Bank overdrafts and current portion of borrowings	8,469	8,469	-	-	1,556,271	1,556,271
Trade payables	1,597,545	1,597,545	977,667	977,667	1,438,840	1,438,840
	<b>1,606,014</b>	<b>1,606,014</b>	<b>988,052</b>	<b>988,052</b>	<b>3,285,590</b>	<b>3,285,590</b>

## 3.4 Financial Instruments by category

	Group 31 Dec 2012			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Available for sale investments		401,373		
Trade and other receivables			11,833,580	
Financial instruments at fair value through profit or loss				
Cash and short-term deposits			13,397,062	
<b>Financial liabilities</b>				
Long term borrowings				15,018,742
Current portion of long term borrowings				6,240,000
Trade and other payables				23,543,155
Bank overdrafts				9,006,602
		Available for	Group	
		31 Dec 2011		
	Fair value through profit or loss	sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Available for sale investments		1,001		
Trade and other receivables			11,967,356	
Financial instruments at fair value through profit or loss	1,464			
Cash and short-term deposits			15,262,927	
<b>Financial liabilities</b>				
Long term borrowings				17,691,599
Current portion of long term borrowings				5,316,911
Trade and other payables				19,246,853
Bank overdrafts				10,886,456

	Group 1 Jan 2011			
	Fair value through profit or loss	Available for sale	Loans and receivables	
<b>Financial assets</b>				
Available for sale investments		1,001		
Trade and other receivables			7,478,466	
Financial instruments at fair value through profit or loss	10,656			
Cash and short-term deposits			7,246,162	

## Financial liabilities

Long term borrowings  
Current portion of long term borrowings  
Trade and other payables  
Bank overdrafts

Other financial  
liabilities

20,623,809  
5,691,252  
19,134,180  
1,390,708

	Company 31 Dec 2012			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Available for sale investments	401,373			
Trade and other receivables	968,569			
Financial instruments at fair value through profit or loss	-			
Cash and short-term deposits	5,826,372			

## Financial liabilities

Trade and other payables  
Bank overdrafts

8,469  
2,756,696

	Company 31 Dec 2011			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Available for sale investments		1,001		
Trade and other receivables			638,619	
Financial instruments at fair value through profit or loss	-			
Cash and short-term deposits			9,312,060	

## Financial liabilities

Trade and other payables  
Bank overdrafts

10,384  
979,601

	Company 1 Jan 2011			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Available for sale investments	1,001			
Trade and other receivables	2,744,187			
Financial instruments at fair value through profit or loss	-			
Cash and short-term deposits	2,074,573			

## Financial liabilities

Long term borrowings  
Finance lease liabilities  
Current portion of long term borrowings  
Trade and other payables  
Bank overdrafts

168,386  
122,093  
1,500,000  
2,121,320  
56,271

#### 4. Significant judgements and estimates

##### 4.1 Significant estimates

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### a) Impairment of PPE

In 2010 management identified lines of PPE that were running below the required levels of output. These were tested for impairment using the value in use model. The following assumptions were used in the calculation:

	The Group			The Company		
	2012	2011	2010	2012	2011	2010
Discount rate	NA	NA	20%	NA	NA	20%
Growth rate	NA	NA	5%	NA	NA	5%

A decrease of 1% growth rate would increase the impairment by N329 million (2010).

An increase in the discount rate by 1% would increase the impairment by N886 million (2010).

In 2011 management performed a detailed impairment exercise over the assets of its Logistics and Restaurants businesses. The recoverable amount was based on fair value less costs to sell.

To obtain the fair value less costs to sell management released a request to bid to purchase the assets in the open market. The responses from this process was used as the basis for fair value.

##### b) Investment property

The Group uses a combined approach of valuing investment properties using internal and external experts. For breakdowns of the properties valued using each of these refer to Note 14.

Management makes use of a number of methods to assess the fair value of investment property:

- Open market value
- Forced sale value
- Income capitalisation method
- Direct market comparison approach
- Depreciated replacement cost approach

For purposes of the fair value recognised in the financial statements the open market value method is adopted.

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

##### c) Defined benefit obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. For details of the assumptions refer to note 25.

##### d) Estimates of useful lives and residual values

The estimates of useful lives and residual values of PPE impact the annual depreciation charge. For details of the range of lives used refer to note 2.5.

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.

#### 4.2 Significant judgements

##### a) Consolidation of UAC Property Development Company Plc

Although the Group only has a 46% investment in UPDC it is treated as a subsidiary due to:

- the Group is able to appoint seven of the eight directors. This includes the Managing Director, Chairman and Finance Director; and
- the majority of the other shareholders are disparate and are not able to coordinate to block decisions of the Group.

Therefore the Group has de facto control and consolidates UPDC.

##### b) Revenue recognition

Sale of constructed properties require detailed judgement. Each transaction is assessed to determine under IFRIC 15 whether revenue should be recognised when the significant risks and rewards pass to the buyer or over time as construction takes place. All of the projects in the periods presented were identified as being the sale of goods and therefore revenue was only recognised when the significant risks and rewards had passed.

The significant risks and rewards were identified as having passed when the buyer had taken possession or control of the properties. Transfer of legal title in the market is time consuming and is seen only as an administrative step and not as a pre-requisite for revenue recognition.

## 5. Segmental Analysis

## The Group

The chief operating decision-maker has been identified as the Executive Committee (Exco), made up of the executive directors of the company. The Exco

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

**Food and Beverage** - Made up of business units involved in the manufacturing and sales of food items, livestock feeds, bottled water, fruit juices, ice-cream and Quick Service Restaurants.

**Commercial Vehicles** - Made up of a business unit involved in the assemblage, sales and repairs of commercial motor vehicles.

**Paints** - Made up of a business unit involved in the manufacturing and sales of paints products and other decoratives.

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

**Real Estate** - Made up of a business unit involved in real estate development and management and owners of Golden Tulip Festac Hotel, Lagos.

**Others** - These are non-reportable segments made up of two medium size entities within the group involved in the provision of registrar and pension fund administration services respectively, and 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

31 December 2012	Food and Beverages N'ooo	Commercial Vehicles N'ooo	Paints N'ooo	Logistics N'ooo	Real Estate N'ooo	Others N'ooo	Total N'ooo
Total Revenue	46,405,543	1,425,486	5,231,330	4,046,833	12,076,362	1,004,190	<b>70,189,745</b>
Intergroup revenue						557,424	<b>557,424</b>
Revenue to third parties	<b>46,405,543</b>	<b>1,425,486</b>	<b>5,231,330</b>	<b>4,046,833</b>	<b>12,076,362</b>	<b>446,766</b>	<b>69,632,321</b>
Operating profit	4,864,104	(1,563)	1,390,796	1,116,119	4,429,809	(273,244)	<b>11,526,022</b>
Depreciation and amortisation	(930,814)	(7,217)	(76,975)	(28,815)	(636,554)	(123,802)	<b>(1,804,178)</b>
Finance Income	198,396	-	137,371	-	190,153	1,225,881	<b>1,751,801</b>
Finance cost	(957,555)	(34,146)	-	-	(1,524,671)	(16,060)	<b>(2,532,432)</b>
Taxation	(1,790,577)	-	(535,705)	(361,359)	(324,257)	(630,543)	<b>(3,642,440)</b>
Profit before tax	4,136,554	(35,709)	1,519,151	1,112,771	3,095,291	917,333	<b>10,745,390</b>
Property, plant and equipment	14,239,574	26,893	413,739	3,210,386	15,567,732	1,165,495	<b>34,623,819</b>
Net assets	20,994,721	747,504	1,147,221	4,549,866	30,844,830	2,317,116	<b>60,601,259</b>

31 December 2011	Food and Beverages N'ooo	Commercial Vehicles N'ooo	Paints N'ooo	Logistics N'ooo	Real Estate N'ooo	Other N'ooo	Total N'ooo
Total Revenue	43,170,357	1,561,167	4,312,774	3,374,162	6,782,819	879,444	<b>60,080,723</b>
Intergroup revenue						442,901	<b>442,901</b>
Revenue to third parties	<b>43,170,357</b>	<b>1,561,167</b>	<b>4,312,774</b>	<b>3,374,162</b>	<b>6,782,819</b>	<b>436,543</b>	<b>59,637,822</b>
Operating profit	3,790,518	(57,962)	1,277,364	525,722	3,329,123	(1,136,472)	<b>7,715,139</b>
Depreciation and amortisation	(1,992,892)	(8,764)	(74,651)	(115,316)	(540,116)	(105,673)	<b>(2,837,413)</b>
Finance Income	23,165	-	84,544	-	23,723	821,618	<b>953,050</b>
Finance cost	(538,103)	(76,002)	-	-	(972,027)	(100,723)	<b>(1,686,855)</b>
Taxation	(960,591)	(12,517)	(434,906)	15,319	(728,608)	(1,465,501)	<b>(3,586,804)</b>
Profit before tax	<b>3,298,738</b>	<b>(121,445)</b>	<b>1,361,908</b>	<b>482,171</b>	<b>2,380,819</b>	<b>(407,702)</b>	<b>6,994,489</b>
Property, plant and equipment	11,984,892	35,079	367,846	2,420,619	16,665,769	1,419,096	<b>32,893,302</b>
Net assets	19,306,792	729,823	1,598,672	3,707,725	29,861,285	1,860,797	<b>57,065,093</b>

## Entity wide information

Analysis of revenue by category:

Sale of goods  
Revenue from services

31 Dec 2012	31 Dec 2011
65,585,488	56,263,660
4,046,833	3,374,162
<b>69,632,321</b>	<b>59,637,822</b>
31 Dec 2012	31 Dec 2011
69,616,853	59,491,797
15,468	146,025
<b>69,632,321</b>	<b>59,637,822</b>

Analysis of revenue by geographical location:

Nigeria  
Ghana

## 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%.

## 6. Other gains/(losses)

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Profit / (loss) on sale of shares associates and joint ventures (i)	42,040	(276,363)	42,040	-
Net fair value gains/(losses) on investment properties	876,234	1,532,415	634,085	107,937
Profit or loss on sale of PPE	(746,831)	15,486	(84,539)	659,475
<b>Total other income/Expenses</b>	<b>171,443</b>	<b>1,271,537</b>	<b>591,586</b>	<b>767,412</b>

(i) Sale of shares in associates and joint ventures

During 2012 the investment in Opticom leasing was sold.

During 2011 the investment in 1004 Estates was sold.

## 7. Expenses by nature

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Changes in inventories of finished goods and work in progress	45,521,764	36,961,553	-	-
Write off of inventories to net realisable value	63,828	138,086	-	-
Personnel expenses	5,537,320	7,254,212	531,807	785,794
Depreciation	1,769,854	2,837,413	114,559	90,418
Amortisation of intangibles	34,324	71,324	-	-
Impairment of PPE	-	797,021	-	-
Loss on Cessation of Nandos Operations	-	8,118	-	-
Impairment of intangible assets	-	14,965	-	-
Additional VAT and other levies incurred	-	91,715	-	-
Rents & Rates	170,787	116,112	27,673	19,534
Electricity & power	756,917	555,076	83,511	75,858
Vehicles repairs, maintenance & fueling	1,100,930	958,842	8,491	8,403
Other repairs & maintenance	352,184	212,122	46,290	45,931
Auditors' remuneration	195,018	173,238	40,863	60,961
Information Technology	227,568	193,034	64,726	53,759
Legal	60,544	48,414	36,354	40,681
Donations & Subscriptions	67,885	30,472	18,261	5,582
Insurance	180,165	196,862	22,523	10,859
Distribution expenses	697,165	652,441	-	-
Marketing, Advertising & Communication	810,142	996,788	42,350	34,573
Sundry office expenses	731,347	891,793	532,702	590,698
	<b>58,277,742</b>	<b>53,199,604</b>	<b>1,570,111</b>	<b>1,823,050</b>
Cost of sales	50,582,561	43,777,072	4,679	3,489
Selling and distribution expenses	1,507,307	1,649,230	42,350	34,573
Administrative expenses	6,187,875	7,773,302	1,523,082	1,784,988
	<b>58,277,742</b>	<b>53,199,604</b>	<b>1,570,111</b>	<b>1,823,050</b>

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
<b>Personnel expenses include:</b>				
Wages, salaries and other short term benefits for staff and managers	5,538,773	5,844,742	713,211	596,783
Directors' emoluments	222,272	207,002	114,426	107,433
Post employment benefits:				
- Defined contribution plans	682,095	453,788	40,494	23,177
- Defined benefit plans (Gratuity scheme)	-	748,680	-	58,401
- Defined benefit plans (Curtailment gain on gratuity scheme)	(905,820)	-	(336,324)	-
	<b>5,537,320</b>	<b>7,254,212</b>	<b>531,807</b>	<b>785,794</b>

## Particulars of directors and staff

(i) The group has 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	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
<b>Costs</b>				
Key management personnel:				
Wages, salaries and other short term benefits	262,671	226,962	78,655	72,572
Post employment benefits:				
- Defined contribution plans	52,192	17,019	15,629	5,442
- Defined benefit plans	-	28,078	-	8,978
Total for key management personnel	<b>314,863</b>	<b>272,059</b>	<b>94,283</b>	<b>86,991</b>
Other management personnel	2,457,966	2,170,064	633,529	1,174,743
Staff	1,915,756	2,378,537	214,989	1,170,815
<b>Total</b>	<b>4,373,721</b>	<b>4,548,600</b>	<b>848,518</b>	<b>2,345,558</b>

## Numbers

Key management personnel  
Other management personnel  
Staff

## Total

The Group	
2012 Number	2011 Number
20	20
587	663
1,662	2,719
<b>2,269</b>	<b>3,402</b>
<b>N'000</b>	<b>N'000</b>
1,928	1,337

## Cost per staff

(ii) The table below shows the number of employees (excluding directors), who earned over =100,000 as emoluments in the year and were within the bands stated.

## =N=

100001 - 200000  
200001 - 300000  
300001 - 400000  
400001 - 500000  
500001 - 600000  
600001 - 700000  
700001 - 800000  
800001 - 900000  
900001 - 1000000  
1000001 - 1100000  
1100001 - 1200000  
1200001 - 1300000  
1300001 - 1400000  
1400001 - 1500000  
1500001 and Above

2012 Number	2011 Number
nil	370
5	243
126	142
171	449
106	361
215	176
197	121
338	78
168	131
98	58
87	55
61	30
54	33
117	29
550	266
<b>2,293</b>	<b>2,542</b>

	2012 N'ooo	2011 N'ooo
(iii) Emoluments of directors		
Fees	4,250	3,363
Other emoluments	110,176	104,070
	<b>114,426</b>	<b>107,433</b>
(iv) The Chairman's emolument.	13,252	11,107
(v) Emolument of the the highest paid Director.	27,839	26,640

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

=N=	2012 Number	2011 Number
100001 - 150000	6	6
8000001 - 11000000	0	0
12000001 and above	3	3
	<b>9</b>	<b>9</b>

## 8. Net finance income/(cost)

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Interest income on short-term bank deposits	1,749,152	918,689	1,037,817	814,536
Interest income on accounts receivable	2,649	34,362	-	-
<b>Finance Income</b>	<b>1,751,801</b>	<b>953,051</b>	<b>1,037,817</b>	<b>814,536</b>
Interest payable on bank loans	2,278,171	1,425,266	31,404	85,335
Interest payable on finance leases	-	11,462	-	-
Interest payable on bank overdraft	250,873	225,151	-	-
Loss on early closure of finance lease facilities	-	22,105	-	-
Unwinding of discount on provision	3,388	2,871	-	-
<b>Finance Costs</b>	<b>2,532,432</b>	<b>1,686,855</b>	<b>31,404</b>	<b>85,335</b>
<b>Net finance income / (cost)</b>	<b>(780,631)</b>	<b>(733,804)</b>	<b>1,006,413</b>	<b>729,201</b>

## 9. Taxation

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
<b>Current tax</b>				
Nigeria corporation tax charge for the year	3,063,295	2,931,897	816,407	742,974
Adjustments in respect of prior periods	(474,386)	645,411	-	513,822
<b>Total current tax charge</b>	<b>2,588,909</b>	<b>3,577,308</b>	<b>816,407</b>	<b>1,256,796</b>
<b>Deferred tax</b>				
Temporary differences, origination and reversal	1,468,533	9,496	845,430	(53,925)
Adjustments in respect of prior periods	(415,003)	-	(990,473)	-
<b>Total deferred tax (note 24)</b>	<b>1,053,531</b>	<b>9,496</b>	<b>(145,043)</b>	<b>(53,925)</b>
<b>Income tax expense</b>	<b>3,642,440</b>	<b>3,586,804</b>	<b>671,363</b>	<b>1,202,872</b>

Nigeria corporation tax is calculated at 30% (2011: 30%) of the estimated assessable profit for the year.

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

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Profit before tax	<b>10,745,391</b>	<b>6,994,489</b>	<b>3,501,672</b>	<b>6,839,444</b>
Tax at the Nigeria corporation tax rate of 30% (2011: 30%)	3,223,617	2,098,347	1,050,502	2,051,833
Education tax	213,413	217,623	-	22,605
Capital gains tax	10,522	59	39	45
Tax effect of revenue / expenses that are not deductible	624,888	670,580	121,878	834,571
Exempt income	(1,099,297)	(689,589)	(923,440)	(2,570,925)
Minimum tax adjustment (i)	770,734	420,917	816,367	350,920
Deferred tax assets not raised	787,951	223,457	596,491	-
Deferred tax relating to prior periods	(415,003)	-	(990,473)	-
Current tax relating to prior periods	(474,386)	645,411	-	513,822
<b>Tax charge for the year</b>	<b>3,642,440</b>	<b>3,586,804</b>	<b>671,363</b>	<b>1,202,872</b>

(i) If the dividend paid during the period is in excess of taxable profits, tax is calculated on the dividend paid rather than taxable profit.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Before tax	2012 Tax (charge) credit	After tax	Before tax	2011 Tax (charge) credit	After tax
Actuarial gain on retirement benefit obligations	-	-	-	690,247	(207,074)	483,173
Other comprehensive income	-	-	-	690,247	(207,074)	483,173

	The Group		The Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Opening balance	3,569,510	3,390,768	751,592	574,448
Tax expense	2,588,909	3,577,308	816,407	1,256,796
Paid during the period	(3,117,672)	(64,848)	-	(1,079,652)
	<b>3,040,747</b>	<b>3,569,510</b>	<b>1,567,999</b>	<b>751,592</b>

## 10. Dividend

	The Group	
	2012 N'ooo	2011 N'ooo
<b>Amounts recognised as distributions to ordinary shareholders in the year comprise:</b>		
Final dividend for the year ended 31 December 2011 paid in 2012 (2011: Final 2010 dividend paid in 2011)	2,401,082	1,760,793
Weighted average number of shares	1,600,720,322	1,600,720,322
<b>Dividends per share (kobo per share)</b>	<b>150</b>	<b>110</b>

The proposed final dividends for the years ended 31 December 2012 and 31 December 2011 were subject to approval by shareholders at the Annual General Meeting and hence have not been included as liabilities in the financial statements at 31 December 2011 and 31 December 2012 respectively.

## 11. 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	
	2012	2011
Profit attributable to ordinary equity shareholders (NGN 000)	4,111,189	585,925
<b>Basic earnings per share</b>	<b>256.83</b>	<b>36.60</b>
<b>Diluted earnings per share</b>	<b>256.83</b>	<b>36.60</b>

	The Group	
	2012 Number	2011 Number
Basic weighted average and Diluted weighted average number of shares.	1,600,720,322	1,600,720,322

## (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group has no dilutive instruments.

	The Group	
	2012	2011
Earnings		
Profit attributable to equity holders of the company	4,111,189	585,925
Profit used to determine diluted earnings per share	4,113,201	587,936
Profit from discontinued operations attributable to equity holders of the company	4,113,201	587,936
<b>Weighted average number of ordinary shares in issue (thousands)</b>	<b>1,600,720,322</b>	<b>1,600,720,322</b>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,600,720,322	1,600,720,322

## 12. Property, plant and equipment

## The Group

Cost:	Leasehold land and buildings	Plant and Machinery	Motor vehicles & Office furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000
At 1 January 2011	22,907,303	13,828,702	7,719,181	663,039	45,118,226
Additions	928,323	840,816	512,033	687,249	2,968,422
Disposals	(458,155)	(880,988)	(826,683)	(24,692)	(2,190,518)
Reclassifications	373,962	512,867	239,390	(1,126,219)	-
At 31 December 2011	23,751,433	14,301,398	7,643,922	199,378	45,896,130
At 1 January 2012	23,751,433	14,301,398	7,643,922	199,378	45,896,130
Additions	190,710	1,130,720	719,702	3,435,843	5,476,975
Disposals	(2,051,356)	(1,784,991)	(1,163,123)	-	(4,999,470)
Reclassifications	444,276	160,121	249,917	(854,314)	-
At 31 December 2012	22,335,063	13,807,248	7,450,418	2,780,907	46,373,636

## Accumulated depreciation and impairment

At 1 January 2011	2,045,404	4,433,206	4,321,807	-	10,800,418
Charge for the year	442,463	1,367,556	1,027,394	-	2,837,413
Impairment charge	94,561	328,831	373,629	-	797,021
Disposals	(200,478)	(602,731)	(628,815)	-	(1,432,024)
Reclassifications	-	-	-	-	-
At 31 December 2011	2,381,950	5,526,863	5,094,015	-	13,002,828
At 1 January 2012	2,381,950	5,526,863	5,094,015	-	13,002,828
Charge for the year	374,835	562,288	832,731	-	1,769,854
Impairment charge	103,381	-	-	-	103,381
Reversal of impairment	-	-	-	-	-
Disposals	(1,064,451)	(822,486)	(1,239,308)	-	(3,126,245)
Reclassifications	-	-	-	-	-
At 31 December 2012	1,795,715	5,266,664	4,687,438	-	11,749,817

## Net book values:

At 31 December 2012	20,539,348	8,540,584	2,762,979	2,780,907	34,623,819
At 31 December 2011	21,369,483	8,774,535	2,549,906	199,378	32,893,302
At 31 December 2010	20,861,899	9,395,496	3,397,374	663,039	34,317,808



## The Company

Cost	Leasehold land and buildings N'000	Plant and Machinery N'000	Motor vehicles & office furniture N'000	Capital Work in progress N'000	Total N'000
At 1 January 2011	4,261,808	2,767,290	3,470,159	440,629	10,939,886
Additions	93,902	45,059	92,727	-	231,688
Disposals	-	(20,280)	(92,372)	-	(112,652)
Transfer to MDS & UACR	(3,501,037)	(2,408,361)	(3,176,758)	(379,336)	(9,465,492)
At 31 December 2011	854,673	383,708	293,757	61,293	1,593,431
At 1 January 2012	854,673	383,708	293,757	61,293	1,593,431
Additions	16,336	289,909	44,509	-	350,754
Disposals	(134,015)	(5,699)	(21,238)	-	(160,952)
At 31 December 2012	736,993	667,918	317,028	61,293	1,783,233

## Accumulated depreciation and impairment

At 1 January 2011	748,561	1,888,677	2,297,042	-	4,934,280
Charge for the year	20,255	28,925	41,238	-	90,418
Impairment charge	94,561	328,831	373,629	-	797,021
Disposals	-	(16,519)	(78,787)	-	(95,307)
Reclassifications	-	-	-	-	-
Transfer to MDS & UACR	(588,653)	(1,950,369)	(2,456,560)	-	(4,995,582)
At 31 December 2011	274,725	279,545	176,562	-	730,831
At 1 January 2012	274,725	279,545	176,562	-	730,831
Charge for the year	16,120	59,067	39,373	-	114,559
Impairment charge	-	-	-	-	-
Disposals	(57,541)	(4,226)	(12,048)	-	(73,814)
At 31 December 2012	233,304	334,386	203,887	-	771,577
Net book values					
At 31 December 2012	503,689	333,533	113,141	61,293	1,011,660
At 31 December 2011	579,948	104,163	117,195	61,293	862,600
At 31 December 2010	3,513,246	878,613	1,173,117	440,629	6,005,606

## 13. Intangible assets

Cost	Group			Company	
	Brands N'000	Software N'000	Total N'000	Brands N'000	Brands N'000
At 1 January 2011	300,989	213,448	514,437	300,989	300,989
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer to UACR	-	-	-	(300,989)	(300,989)
At 31 December 2011	300,989	213,448	514,437	-	-
At 1 January 2012	300,989	213,448	514,437	-	-
Additions	-	29,996	29,996	-	-
Disposals	-	-	-	-	-
At 31 December 2012	300,989	300,989	544,433	-	-

## Accumulated amortisation and impairment

At 1 January 2011					
Amortisation for the year	200,943	158,287	359,230	200,943	200,943
Impairment charge	48,335	22,989	22,989	48,334	48,334
Transfer to UACR	14,965	-	14,965	14,965	14,965
At 31 December 2011	264,243	181,275	445,519	(264,243)	(264,243)
At 1 January 2012	264,243	181,275	445,519	-	-
Amortisation for the year	11,963	22,361	34,324	-	-
At 31 December 2012	276,207	203,636	479,843	-	-
Net book values					
At 31 December 2012	24,782	39,808	64,590	-	-
At 31 December 2011	36,746	32,173	68,918	-	-

Brands represents the amount paid for the Nandos and Innscor Brands. It is being amortised over the period of the franchise agreement in line with the group accounting policy. As at 31st December 2011 the balance on the Nandos brand was impaired following the stoppage of operations. Software represents cost incurred in updating the groups accounting software.

## 14. Investment property

14. Investment property

	The Group			The Company		
	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo
Fair value						
At 1 January 2011	690,766	20,943,833	21,634,599	-	1,289,262	1,289,262
Additions during the year	-	47,078	47,078	-	-	-
Reclassification from property stocks held as inventories	-	6,199,336	6,199,336	-	-	-
Inter-group transfer	-	-	-	-	(172,399)	(172,399)
Disposals	-	(1,467,837)	(1,467,837)	-	-	-
Net gain from fair value adjustments on investment property	-	1,532,415	1,532,415	-	107,937	107,937
At 31 December 2011	690,766	27,254,845	27,945,611	-	1,224,800	1,224,800
At 1 January 2012	690,766	27,254,845	27,254,845	-	1,224,800	1,224,800
Additions during the year	-	150,903	150,903	-	-	-
Reclassification from property stocks held as inventories	-	5,096,272	5,096,272	-	382,320	382,320
Disposals	-	(228,573)	(228,573)	-	-	-
Net gain from fair value adjustments on investment property	-	876,234	876,234	-	634,085	634,085
At 31 December 2012	690,766	33,149,681	33,840,447	-	2,241,205	2,241,205
Fair value of investment properties is categorised as follows:						
	31-Dec-12	The Group			The Company	
	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo
Internal valuation	690,766	3,460,946	4,151,712	-	2,241,205	2,241,205
External valuation	-	29,688,734	29,688,734	-	-	-
	690,766	33,149,681	33,840,447	-	2,241,205	2,241,205
Fair value of investment properties is categorised as follows:						
	31-Dec-11	The Group			The Group	
	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo
Internal valuation	690,766	2,509,654	1,079,371	-	1,224,800	1,224,800
External valuation	-	24,745,190	20,555,228	-	-	-
	690,766	27,254,845	21,634,599	-	1,224,800	1,224,800
Fair value of investment properties is categorised as follows:						
	01-Jan-11	The Group	The Group		The Group	
	Freehold building N'ooo	Leasehold building N'ooo	Leasehold building N'ooo	Freehold building N'ooo	Leasehold building N'ooo	Total investment properties N'ooo
Internal valuation	-	1,079,371	1,079,371	-	1,289,262	1,289,262
External valuation	690,766	19,864,462	19,864,462	-	-	-
	690,766	20,943,833	20,943,833	-	1,289,262	1,289,262

The Group's investment properties were revalued at 31 December 2012 by independent professionally qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.

Messrs Steve Akhigbemidu & Co; Jide Taiwo & Co. - Lagos area  
 Messrs Steve Akhigbemidu; J. Ajayi Patunola & Co; Jide Taiwo; Eze Ihekwa & Co; Akan Umuton & Partners - Eastern region  
 Messrs Steve Akhigbemidu & Co; J. Ajayi Patunola & Co - Northern region

Internal and inter-group valuations are performed by Managers of UAC Property Development Company Plc who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.

Valuations in UAC Company for 2010 and 2011 were performed by UPDC and were considered as internal valuations for these purposes.

## 15. Investments in subsidiaries

Company	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 % ownership	2011 % ownership	2010 % ownership
Opening balance	5,196,348	2,538,771				
Additions	6,049,792	2,657,577				
Closing Balance	11,246,141	5,196,348				

Quoted shares:	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 % ownership	2011 % ownership	2010 % ownership
Chemical and Allied Products Plc	114,461	114,461	114,461	50.18	50.18	50.18
140,261,080 ordinary shares of 50k each						
UACN Property Development Company Plc	2,222,209	2,222,209	2,222,209	46.00	46.00	46.00
632,500,000 ordinary shares of 50k each						
Unquoted shares:						
GM Nigeria Limited	95,760	95,760	95,760	60.00	60.00	60.00
72,000,000 ordinary shares of N1 each						
Spring Waters Nigeria Limited	-	-	1,013,120			
945,395,662 ordinary shares of N1 each						
Warm Spring Waters Nigeria Limited	446,475	446,475	446,475	75.94	75.94	75.94
446,475,000 ordinary shares of N1 each						
Provision for diminution in value of investments in SWAN	-	-	(400,000)	-	-	-
Provision for diminution in value of investments in WSWNL	(400,000)	(400,000)	(400,000)	-	-	-
Grand Cereals Limited	2,246,621	268,200	268,200	64.00	64.00	64.00
864,000,000 ordinary shares of N1 each						
Mr. Biggs - Ghana Ltd	11,666	11,666	11,666	100.00	100.00	100.00
11,666,667 ordinary shares of N1 each						
Provision for diminution in value of investments in Mr. Biggs-Ghana Ltd.	-11,666	-	-			
UAC Registrars Limited	50,000	50,000	50,000	100.00	100.00	100.00
50,000,000 ordinary shares of N1 each						
UNICO CPFA Limited	130,000	130,000	130,000	86.67	86.67	86.67
130,000,000 ordinary shares of N1 each						
UAC Foods Limited	2,414,414	2,257,577	-	51.00	51.00	-
280,522,160 ordinary shares of 50k each						
MDS Logistics Plc	3,649,476	-	-	100.00	-	-
100,000,000 ordinary shares of 50k each						
UAC Restaurants Limited	276,725	-	-	100.00	-	-
500,000 ordinary shares of N1 each						
	11,246,141	5,196,348	3,551,891			
			(1,013,120)			
	11,246,141	5,196,348	2,538,771			

Transferred to non-current assets held for sale (Swan)						

15(i) Available for Sale financial assets	2012 N'ooo	2011 N'ooo	2010 N'ooo
Investment in Livestock Feeds Plc	400,372	-	-
Others	1,001	1,001	1,001
	401,373	1,001	1,001

## 16. Investments in associates and equity accounted joint ventures

	The Group		Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
At 1 January	156,508	1,047,709	24,000	24,000
Investment in Metrocity Ltd (JV)	244,169	-	-	-
Share of (loss)/profit	-	13,154	-	-
Disposal of associate	(93,207)	(900,035)	(24,000)	-
Dividend received	-	(4,320)	-	-
At 31 December	307,470	156,508	-	24,000

Summarised information for the investments are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest held
31 Dec 2012						
Metrocity Ltd (IV)	Nigeria	5,639,902	5,232,954	-	-	60%
Transit Village Development Company Limited	Nigeria	1,750,000	-	-	-	40%
31 Dec 2011						
Opticom Leasing Company Limited	Nigeria			256,885	32,532	40%
Transit Village Development Company Limited	Nigeria	1,750,000	-	-	-	40%
1 Jan 2011						
Opticom Leasing Company Limited	Nigeria			-	-	40%
1004 Estates	Nigeria	4,226,594	-	-	-	51%
Transit Village Development Company Limited	Nigeria	1,750,000	-	-	-	40%

## 17. Inventories

	The Group			The Company		
	2012 N'000	2011 N'000	2010 N'000	2012 N'000	2011 N'000	2010 N'000
Raw materials and consumables	7,240,186	5,955,108	4,201,010	8,328	20,790	303,314
Technical stocks and spares	280,201	2,004,397	1,698,227	-	-	154,021
Property stocks - completed properties	3,019,117	338,629	385,157	-	-	-
Properties under construction (note 18)	16,082,971	21,563,729	24,879,574	-	-	-
Finished goods and goods for resale	1,861,156	3,367,222	2,532,941	-	-	99,635
	<b>28,483,630</b>	<b>33,229,085</b>	<b>33,696,909</b>	<b>8,328</b>	<b>20,790</b>	<b>556,970</b>

## The Group

During the year ended 31 December 2012 **N63,828,114.95** (2011: **N138,086,188.34**) was charged to the income statement for damages, obsolescence and write downs.

Included in property under construction above is amount of **N1.539 billion** relating to an estate under litigation. The Group is however confident it has good legal title to the property and also has an indemnity with a bank for any loss that may arise from the acquisition of the land concerned and any construction thereon. No impairment has been made for the item of inventory.

## The Company

During the year ended 31 December 2012 **Nil amount** (2011: Nil) was charged to the income statement for damaged, obsolete and lost inventories.

## 18. Properties under construction included in inventories

	The Group		
Cost/Valuation	2012 N'000	2011 N'000	2010 N'000
Balance 1 January	21,563,729	24,879,574	23,056,355
Additions	9,725,426	9,204,190	8,747,905
Disposals	(6,837,376)	(6,320,679)	(8,330,499)
Transfer to finished goods	(3,272,537)	-	1,405,813
Reclassification to investment properties	(5,096,272)	(6,199,356)	-
<b>Balance 31 December</b>	<b>16,082,971</b>	<b>21,563,729</b>	<b>24,879,574</b>

## 19. Trade and other receivables

	The Group			The Company		
Receivables due within one year	2012 N'000	2011 N'000	2010 N'000	2012 N'000	2011 N'000	2010 N'000
Trade receivables	6,056,018	7,193,734	5,125,284	40,963	2,328,844	2,328,844
Less: allowance for impairment of trade receivables	(1,517,367)	(1,771,935)	(1,972,535)	(46,840)	(82,108)	(1,088,030)
Net trade receivables	4,538,651	5,421,800	3,152,750	-	(41,145)	1,240,814
Receivables from group companies	-	-	-	902,630	649,718	440,432
Other receivables	4,400,417	2,176,977	2,820,490	-	-	-
Prepayments - staff grants	142,899	966	518	15,596	14,832	56,675
Prepayments and Other	2,751,614	4,367,614	1,504,708	50,342	15,213	1,006,266
	<b>11,833,580</b>	<b>11,967,357</b>	<b>7,478,466</b>	<b>968,569</b>	<b>638,619</b>	<b>2,744,187</b>

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

	The Group		The Company	
	2012 N'000	2011 N'000	2012 N'000	2011 N'000
At 1 January	1,771,935	1,972,535	82,108	1,088,030
Provision for receivables impairment	(254,568)	-	11,245	(1,005,922)
Receivables written off during the year	-	(200,600)	-	-
UAC Restaurant & MDS provision transferred out of company	-	-	(46,512)	-
<b>At 31 December</b>	<b>1,517,367</b>	<b>1,771,935</b>	<b>46,840</b>	<b>82,108</b>

## 20. Cash and cash equivalents

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
Cash at bank and in hand	1,304,466	1,396,470	3,477,916	26,372	619,711	615,573
Short-term deposits	12,092,596	13,866,456	3,768,246	5,800,000	8,692,349	1,459,000
<b>Cash and short-term deposits</b>	<b>13,397,062</b>	<b>15,262,927</b>	<b>7,246,162</b>	<b>5,826,372</b>	<b>9,312,060</b>	<b>2,074,573</b>
Less: bank overdrafts (included in borrowings, note 21)	(9,006,602)	(10,886,456)	(1,390,708)	(8,469)	-	(56,271)
<b>Cash and cash equivalents</b>	<b>4,390,460</b>	<b>4,376,471</b>	<b>5,855,454</b>	<b>5,817,903</b>	<b>9,312,060</b>	<b>2,018,301</b>

## 21. Borrowings

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
<b>Current borrowings</b>						
Overdrafts due within one year	9,006,602	10,886,456	1,390,708	8,469	-	56,271
Commercial papers due within one year	6,240,000	5,316,911	5,691,252	-	-	1,500,000
Loans due within one year	-	-	-	-	-	-
	<b>15,246,602</b>	<b>16,203,367</b>	<b>7,081,960</b>	<b>8,469</b>	<b>-</b>	<b>1,556,271</b>
<b>Non-current borrowings</b>						
Loans due after one year (i)	15,018,742	17,691,599	20,511,921	-	-	168,386
Finance lease liabilities (ii)	-	-	111,888	-	-	111,888
Intra-group finance lease liabilities (iii)	-	-	-	-	10,384	10,205
	<b>15,018,742</b>	<b>17,691,599</b>	<b>20,623,809</b>	<b>-</b>	<b>10,384</b>	<b>290,479</b>
<b>Total borrowings</b>	<b>30,265,344</b>	<b>33,894,966</b>	<b>27,705,769</b>	<b>8,469</b>	<b>10,384</b>	<b>1,846,751</b>

The borrowings are repayable as follows:

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
Within one year	15,246,602	16,203,367	7,081,960	8,469	2,200	1,556,271
Between one to two years	5,000,000	-	111,888	-	2,200	122,093
Between two to three years	10,018,742	17,691,599	20,511,921	-	2,200	168,386
More than three years	-	-	-	-	3,784	-
	<b>30,265,344</b>	<b>33,894,966</b>	<b>27,705,769</b>	<b>8,469</b>	<b>10,384</b>	<b>1,846,751</b>

## (i) Loans

Group	Amount due			
	2012 N'ooo	2011 N'ooo	2010 N'ooo	Maturity date
<b>Details of the loan maturities are as follows:</b>				
Facilities with Access Bank Plc and UBA Plc	-	-	168,386	November, 2012
UBA Plc facility:				
Grand Cereals Ltd	1,662,000	814,000	408,735	August, 2015
UPDC Plc	1,700,075	207,194	-	December, 2013
	<b>3,362,075</b>	<b>1,021,194</b>	<b>577,121</b>	
Term Loan:				
UAC Company - UBA	-	-	122,093	November, 2012
UPDC - FBN	-	862,601	3,826,310	December, 2012
GMNL - Access Bank Plc	-	292,630	157,780	December, 2012
Grand Cereals Ltd	-	633,007	828,617	December, 2014
	<b>-</b>	<b>1,788,238</b>	<b>4,934,800</b>	
UPDC 10% 5-Year Bond	11,656,667	14,882,167	15,000,000	
	<b>15,018,742</b>	<b>17,691,599</b>	<b>20,511,921</b>	

Company	Amount due			
	2012 N'ooo	2011 N'ooo	2010 N'ooo	Maturity date
<b>Details of the loan maturities are as follows:</b>				
Loans with Access Bank Plc and UBA Plc	-	-	168,386	November, 2012

	The Group			The Company		
	2012 %	2011 %	2010 %	2012 %	2011 %	2010 %
<b>Average interest rates</b>						
Term loans and facilities	14.1	12.60%	13.27%	-	10.85	10.70%
Bond	10%	10%	10%	-	-	-

## (ii) Finance lease liabilities

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
<b>Gross investment in lease</b>						
Gross finance lease liabilities - minimum lease payments	-	-	47,970	-	-	47,970
- No later than 1 year	-	-	83,947	-	-	83,947
- 2 to 5 years	-	-	-	-	-	-
- More than 5 years	-	-	-	-	-	-
	-	-	131,916	-	-	131,916
Future finance charges on lease	-	-	20,029	-	-	20,029
Present value of finance lease liabilities	-	-	111,888	-	-	111,888
The present value is analysed as follows:						
- No later than 1 year	-	-	36,508	-	-	36,508
- 2 to 5 years	-	-	75,380	-	-	75,380
- More than 5 years	-	-	-	-	-	-
	-	-	111,888	-	-	111,888

During the period ended 31 December 2011 the finance lease was settled early, resulting in a loss of N22,105,000.

## (iii) Intra-group finance lease liabilities

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
<b>Gross investment in lease</b>						
Gross finance lease liabilities - minimum lease payments	-	-	-	-	2,200	2,200
- No later than 1 year	-	-	-	-	8,800	8,800
- 2 to 5 years	-	-	-	-	92,400	94,600
- More than 5 years	-	-	-	-	103,400	105,600
	-	-	-	-	93,016	95,395
Future finance charges on lease	-	-	-	-	10,384	10,205
Present value of finance lease liabilities	-	-	-	-	10,384	10,205
The present value is analysed as follows:						
- No later than 1 year	-	-	-	-	1	1
- 2 to 5 years	-	-	-	-	6	5
- More than 5 years	-	-	-	-	10,378	10,200
	-	-	-	-	10,385	10,205

This lease represents the lease of a warehouse by MDS from CAP Plc, the lease is for a total period of 51 years and matures in October 2059.

## 22. Trade and other payables

	The Group			The Company		
	2012 N'ooo	2011 N'ooo	2010 N'ooo	2012 N'ooo	2011 N'ooo	2010 N'ooo
Trade payables	5,167,653	5,222,045	7,707,450	39,261	96,080	937,073
Amounts owed to group companies	-	-	-	1,558,284	881,588	501,766
	<b>5,167,653</b>	<b>5,222,045</b>	<b>7,707,450</b>	<b>1,597,545</b>	<b>977,667</b>	<b>1,438,840</b>
Provision for employee leave	25,987	8,130	7,904	9,357	1,934	1,934
Defined contribution benefit owing to UNICO fund	2,738,042	-	-	566,633	-	-
Other payables	4,204,672	3,816,726	6,716,718	-	-	-
Income received in advance	11,266,955	10,140,952	4,699,804	-	-	-
Accruals	139,846	59,000	2,304	583,162	-	680,547
<b>Total</b>	<b>23,543,155</b>	<b>19,246,853</b>	<b>19,134,180</b>	<b>2,756,696</b>	<b>979,601</b>	<b>2,121,320</b>

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate its fair value.

All covenants attached to borrowings have been complied with throughout the year.

## 23. Provisions

Group	Warranty Provision N'ooo	Decommissioning liability N'ooo	Total N'ooo
At 1 January 2011	21,993	15,949	37,942
Unwinding of discount	-	2,871	2,871
Changes in estimate	537	-	537
Utilised in the year	(4,375)	-	(4,375)
At 31 December 2011	18,155	18,820	36,975
Unwinding of discount	-	3,388	3,388
Changes in estimate	(2,655)	-	(2,655)
Utilised in the year	(2,675)	-	(2,675)
At 31 December 2012	12,825	22,207	35,032

Company	Warranty Provision N'ooo	Decommissioning liability N'ooo	Total N'ooo
At 1 January 2011	-	15,949	15,949
Unwinding of discount	-	2,871	2,871
At 31 December 2011	-	18,820	18,820
Inter-group transfer	-	(18,820)	(18,820)
Utilised in the year	-	-	-
At 31 December 2012	-	-	-

The ageing of the provisions are as follows

	Group		Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Within 12 months	35,032	36,975	-	18,820
Greater than 12 months	35,032	36,975	-	18,820

The group generally offers 3yrs or 100,000km whichever comes first warranties for all new commercial vehicle sold by GMNL through its Dealers to third party customers. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Warranties cover the whole of the vehicle except parts that wear quickly based on usage and handling, e.g. Brake Pads/Cables, Clutch Pads/Cables, Tyres Batteries etc.

## 24. Deferred Tax

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

	The Group		The Company	
	2012	2011	2012	2011
Deferred tax assets:				
- Deferred tax asset to be recovered after more than 12 months	23,623	67,450	191,184	-
- Deferred tax asset to be recovered within 12 months	-	-	-	355,101
	23,623	67,450	191,184	-
Deferred tax liabilities:				
- Deferred tax asset to be recovered after more than 12 months	3,451,008	2,441,304	2,348,467	-
- Deferred tax asset to be recovered within 12 months	-	-	-	145,043
	3,451,008	2,441,304	2,348,467	-
Deferred tax (liabilities) / assets	(3,427,385)	(2,373,854)	(2,157,283)	(145,043)

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

	Group		Company	
	2012	2011	2012	2011
At 1 January	(2,373,854)	(2,157,283)	(145,043)	355,101
Exchange differences	-	-	-	-
Charged/(credited) to profit or loss	(1,053,531)	(9,496)	145,043	53,925
Tax charge/(credit) relating to components of other comprehensive income	-	(207,074)	-	(101,628)
Deferred tax transferred to non-current assets held for sale	-	-	-	(452,442)
Tax charged/(credited) directly to equity	-	-	-	-
At 31 December	(3,427,385)	(2,373,853)	-	(145,043)

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

### The Group

Deferred tax liabilities	PPE N'ooo	Investment properties N'ooo	Provisions (i) N'ooo	Unrealised foreign exchange N'ooo	Finance leases N'ooo	Timing differences on revenue recognition N'ooo	Total
At 1 January 2011	1,578,927	1,765,423	(587,439)	(773)	(61,236)	(346,436)	2,348,467
Charged/(credited) to profit or loss	-165,833	99,189	70,977	773	6,470	(58,428)	(46,853)
Charged/(credited) to other comprehensive income	-	-	139,690	-	-	-	139,690
Charged directly to equity	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
At 31 December 2011	1,413,094	1,864,612	(376,772)	-	(54,766)	(404,864)	2,441,304
Charged/(credited) to the income statement	1,221,182	-133,555	(88,913)	-	36,233	404,864	1,439,810
Transferred from deferred tax assets	41,388	-	(117,058)	-	-	-	(75,670)
Charged/(credited) to other comprehensive income	-	-	-	-	-	-	-
Charged directly to equity	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
At 31 December 2012	2,675,664	1,731,057	(582,744)	-	(18,534)	(0)	3,805,443

Deferred tax assets	PPE N'ooo	Assessed losses N'ooo	Provisions N'ooo	Unrealised foreign exchange N'ooo	Finance leases N'ooo	Investment properties N'ooo	Total N'ooo
At 1 January 2011	(92,920)	299,073	93,517	(369)	(179)	(107,937)	191,184
Charged/(credited) to the income statement	(389,668)	-973	344,674	524	(113)	(10,794)	(56,350)
Charged/(credited) to other comprehensive income	-	-	(67,385)	-	-	-	(67,385)
Charged directly to equity	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
At 31 December 2011	(482,589)	298,100	370,806	154	(291)	(118,731)	67,450
Charged/(credited) to the income statement	(671,462)	72,101	(377,805)	(64,848)	-	118,731	(923,283)
Transferred to deferred tax liabilities	41,388	-	(117,058)	-	-	-	(75,670)
Charged/(credited) to other comprehensive income	23,165	-	-	-	-	-	23,165
Charged directly to equity	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
At 31 December 2012	(1,089,497)	370,201	(124,056)	(64,694)	(291)	(0)	(908,338)

(i) Provisions relate to impairment of financial instruments, write down of inventories to net realisable value and allowances for defined benefit plans obligations.

Temporary differences relating to the group's investment in subsidiaries is **N5.7 billion** (2011 : 4.1 billion). As the group exercises control over the subsidiaries, it has the power to control the timing of reversals of the temporary differences arising from its investment in them. The group has determined that the subsidiaries' retained earnings will not be distributed in the foreseeable future and that the subsidiaries will not be disposed off, hence, the deferred tax arising from the temporary differences above will not be recognised.

**The Company**

<b>Deferred tax assets</b>	PPE N'ooo	Provisions N'ooo	Assessed losses N'ooo	Finance leases N'ooo	Investment properties N'ooo	Total N'ooo
At 1 January 2011	291,053	110,749	-	61,236	(107,937)	355,101
Charged/(credited) to the profit or loss	(314,313)	385,502	-	(6,470)	(10,794)	53,925
Charged/(credited) to other comprehensive income	-	(101,628)	-	-	-	(101,628)
Charged directly to equity	-	-	-	-	-	-
Deferred tax transferred to non-current assets held for sale	(135,110)	(262,565)	-	(54,766)	-	(452,442)
Exchange differences	-	-	-	-	-	-
At 31 December 2011	(158,371)	132,058	-	-	(118,731)	(145,043)
Charged/(credited) to the income statement	228,115	(273,903)	72,101	-	118,731	145,043
Charged/(credited) to other comprehensive income	-	-	-	-	-	-
Charged directly to equity	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
At 31 December 2012	69,744	(141,845)	72,101	-	(0)	(0)

**Group**

At the balance sheet date, the Group has unused tax losses of N1.24 billion (2011: N 454 million ) available for offset against future profits.

**Company**

At the balance sheet date, the Company has unused tax losses of N596 million (2011: nil) available for offset against future profits.

**25. Retirement benefit obligations**

	2012 N'ooo	Group 2011 N'ooo	2010 N'ooo
<b>Statement of financial position:</b>			
Defined contribution plan (a)	-	-	-
Defined benefit plan (Gratuity scheme) (b)	-	3,289,443	3,549,312
<b>Liability in the balance sheet</b>	-	3,289,443	3,549,312

	2012 N'ooo	Group 2011 N'ooo
<b>Statement of comprehensive income:</b>		
Defined contribution plans (a)	682,095	453,788
Defined benefit plan (Gratuity scheme) (b)	-	748,680
Defined benefit plan (Curtailment gain on gratuity scheme) (b)	(905,820)	-
<b>Included in profit or loss</b>	(223,725)	1,202,468
Actuarial gains recognised in the statement of other comprehensive income in the period	-	(690,247)
Released to retained earnings as a result of curtailment	690,247	-
Cumulative actuarial gains recognised in the statement of other comprehensive income	-	(690,247)

	2012 N'ooo	Company 2011 N'ooo	2010 N'ooo
<b>Statement of financial position:</b>			
Defined contribution plan (a)	-	-	-
Defined benefit plan (Gratuity scheme) (b)	-	902,957	1,741,926
<b>Liability in the balance sheet</b>	-	902,957	1,741,926

	2012 N'ooo	Company 2011 N'ooo
<b>Statement of comprehensive income:</b>		
Defined contribution plans (a)	40,494	23,177
Defined benefit plan (Gratuity scheme) (b)	-	58,401
Defined benefit plan (Curtailment gain on gratuity scheme) (b)	-336,324	-
<b>Included in profit or loss</b>	-295,830	81,577
Actuarial gains recognised in the statement of other comprehensive income in the period	-	-
Cumulative actuarial gains recognised in the statement of other comprehensive income	-	-



**(a) Defined contribution plans**

The pension scheme of the employees is handled by UNICO CPFA Limited in line with the Pension Reform Act of 2004.

In addition, at the beginning of the period ended 31 December 2012 the defined benefit plan (gratuity scheme) was amended to be a defined contribution plan with the amount identified as the final accrual transferred to a fund operated by UNICO for the benefit of the employees. The settlement of the balance amount due to UNICO Fund had not taken place as at 31 December 2012.

	Group 2012 N'000	Company 2012 N'000
Amount transferred from Defined benefit plan	2,383,623	566,633
Accrual for current period	354,418	
Transfer to current liabilities	(2,738,042)	(566,633)
	-	-

**(b) Defined benefit plan (Gratuity scheme)**

The group had an unfunded gratuity scheme which is based on actuarial valuations. In January 2012, this was converted to a defined contribution plan, with the liabilities of the scheme being transferred to UNICO CPFA Ltd.

As at December 31st, 2012 the amount due to UNICO is included in Trade and Other payables

**Group**

	Group		
	2012	2011	2011
The amounts recognised in the balance sheet are determined as follows:			
Present value of funded obligations	-	3,289,443	3,549,312
Fair value of plan assets	-	-	-
Deficit of funded plans	-	3,289,443	3,549,312
Unrecognised past service cost	-	-	-
Liability in the balance sheet	-	3,289,443	3,549,312

The movement in the defined benefit obligation over the year is as follows:

	Group	
	2012	2011
At 1 January	3,289,443	3,549,312
Current service cost	-	392,330
Interest cost	-	356,350
Actuarial losses/(gains) - changes in assumptions	-	-379,621
Actuarial losses/(gains) - experience adjustments	-	-310,626
Benefits paid	-	-318,302
Curtailments (gain)	(905,820)	-
Transferred to defined contribution plan in current liabilities	(2,383,623)	-
Settlements	-	-
At 31 December	-	3,289,443

The amounts recognised in the income statement are as follows:

	Group	
	2012	2011
Current service cost	-	392,330
Interest cost	-	356,350
Curtailment (gain)	(905,820)	-
<b>Total, included in staff costs</b>	<b>(905,820)</b>	<b>748,680</b>

## Company

The amounts recognised in the balance sheet are determined as follows:

	Company		
	2012	2011	2010
Present value of funded obligations	-	902,957	1,741,926
Fair value of plan assets	-	-	-
Deficit of funded plans	-	902,957	1,741,926
Unrecognised past service cost	-	-	-
<b>Liability in the balance sheet</b>	<b>-</b>	<b>902,957</b>	<b>1,741,926</b>

The movement in the defined benefit obligation over the year is as follows:

	Company	
	2012	2011
At 1 January	902,957	1,741,926
Current service cost	-	588,401
Actuarial losses/(gains)	-	(338,759)
Benefits paid	-	(206,653)
Transferred to Liabilities associated with non-current assets held for sale (Note 32)	-	(881,956)
Curtailments (gain)	(336,324)	-
Transfer to defined contribution plan	(566,633)	-
<b>At 31 December</b>	<b>-</b>	<b>902,957</b>

The amounts recognised in the income statement are as follows:

	Company	
	2012	2011
Current service cost	-	588,401
Included within discontinued operations	-	(530,000)
Curtailment (gain)	(336,324)	-
<b>Total, included in staff costs</b>	<b>(336,324)</b>	<b>58,401</b>

The principal actuarial assumptions were as follows:

	2012		2011		2010	
	Group	Company	Group	Company	Group	Company
Discount rate	NA	NA	14.00%	14.00%	14.00%	14.00%
Discount rate - for pensioners	NA	NA	11.00%	11.00%	11.00%	11.00%
Inflation rate	NA	NA	11.00%	11.00%	11.00%	11.00%
Expected return on plan assets	NA	NA	NA	NA	NA	NA
Future salary increases	NA	NA	13.00%	13.00%	13.00%	13.00%

The discount rate was based on government bonds as there was no deep market in high quality corporate bonds in Nigeria.

The rates of mortality assumed for employees are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

## Demographic assumptions:

### Mortality in service

### Withdrawal from service

2012		2011		2010	
Sample age	Number of deaths in year of age out of 10,000 lives	Sample age	Number of deaths in year of age out of 10,000 lives	Sample age	Number of deaths in year of age out of 10,000 lives
25	NA	25	11	25	11
30	NA	30	12	30	12
35	NA	35	13	35	13
40	NA	40	19	40	19
45	NA	45	33	45	33
Age band	Rate	Age band	Rate	Age band	Rate
0	NA	Less than or equal to 30	3.00%	Less than or equal to 30	3.00%
31 - 39	NA	31 - 39	2.00%	31 - 39	2.00%
40 - 44	NA	40 - 44	1.00%	40 - 44	1.00%
45 - 50	NA	45 - 50	0.50%	45 - 50	0.50%
51 & above	NA	51 & above	0.00%	51 & above	0.00%

## 26. Share Capital

Group and Company

	2012		2011		2010	
	Number '000	Amount N'000	Number '000	Amount N'000	Number '000	Amount N'000
<b>Authorised:</b>						
Ordinary shares of 50k each	2,000,000	1,000,000	2,000,000	1,000,000	2,000,000	1,000,000
<b>Total authorised share capital</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>
<b>Issued and fully paid:</b>						
Ordinary shares of 50k each	1,600,720	800,360	1,600,720	800,360	1,600,720	800,360
<b>Total called up share capital</b>	<b>1,600,720</b>	<b>800,360</b>	<b>1,600,720</b>	<b>800,360</b>	<b>1,600,720</b>	<b>800,360</b>
<b>Movements during the period:</b>						
					Group and Company Number of shares '000	Ordinary shares =N'000
Balance at 1 January 2011					1,600,720	800,360
Capitalised during the period					-	-
Issue of new shares					-	-
<b>At 31 December 2011</b>					<b>1,600,720</b>	<b>800,360</b>
Capitalised during the period					-	-
Issue of new shares					-	-
<b>At 31 December 2012</b>					<b>1,600,720</b>	<b>800,360</b>

## 27. Reconciliation of profit before tax to cash generated from operations

	Group		Company	
	2012 N'000	2011 N'000	2012 N'000	2011 N'000
<b>Profit before tax</b>	<b>10,745,391</b>	<b>6,994,489</b>	<b>3,501,672</b>	<b>8,684,357</b>
Adjustment for net finance (income)/costs	780,631	733,804	(1,006,413)	(729,201)
<b>Operating profit</b>	<b>11,526,022</b>	<b>7,728,293</b>	<b>2,495,259</b>	<b>7,955,156</b>
Amortisation of intangible assets	34,324	71,324	-	48,334
Share of post tax profit of associated companies	-	(13,154)	-	-
Dividend income	-	(5,383)	(2,758,557)	(1,623,125)
Depreciation	1,769,854	2,837,413	114,559	90,418
Impairments	103,381	811,986	-	811,986
Net fair value gains/(losses) on investment properties	(876,234)	(1,532,415)	(634,085)	107,937
Inter Group Transfer of Investment Property	-	-	-	(172,399)
Loss/(profit) on sale of tangible fixed assets	746,831	(15,486)	84,539	(659,475)
Profit on disposal of investment	(42,040)	276,363	(42,040)	(6,754,244)
<b>Operating cash flows before movements in working capital</b>	<b>13,262,138</b>	<b>10,158,942</b>	<b>(740,324)</b>	<b>(195,411)</b>
Movements in working capital:				
Inventories	(350,617)	(5,731,532)	(369,857)	536,180
Trade and other receivables	133,776	(4,488,891)	(329,950)	2,105,569
Financial assets at fair value through profit or loss	1,464	9,192	-	-
Trade and other payables	5,320,397	(42,209)	2,113,986	(3,195,237)
Retirement benefit obligation	(3,289,442)	(259,870)	(902,957)	(838,968)
Provisions	1,942	967	(18,820)	2,871
<b>Net cash from/(used in) operations - continuing operations</b>	<b>15,079,458</b>	<b>(353,402)</b>	<b>(247,923)</b>	<b>(1,584,998)</b>
<b>Discontinued Operation</b>				
Loss from discontinued operations	-	-	-	(1,844,913)
Adjustment for net finance (income)/costs	-	-	-	38,369
<b>Operating profit</b>				<b>(1,806,544)</b>
Amortisation of intangible assets	-	-	-	48,334
Depreciation	-	-	-	163,338
Impairments	-	-	-	1,231,081
Loss on sale of tangible fixed assets	-	-	-	266,938
Operating cash flows before movements in working capital				(96,852)
Inventories	-	-	314,172	543,606
Trade and other receivables	-	-	1,724,872	(1,049,960)
Trade and other payables	-	-	(2,352,945)	1,595,279
Retirement benefits	-	-	(881,956)	224,671
<b>Net cash from/(used in) operations - discontinued operations</b>			<b>(1,195,858)</b>	<b>1,216,744</b>
<b>Net cash from/(used in) operations</b>	<b>15,079,458</b>	<b>(353,402)</b>	<b>(1,443,780)</b>	<b>(368,254)</b>

## 28. Related party transactions

The company's related parties consist of companies in whom the company has shareholding and similar interests (it's subsidiaries, associates & joint venture partners), their key management personnel and their close family members, 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 related parties:

## (a) Sales of goods and services

The Company has commercial services agreements with its subsidiaries for support services. Income from commercial services fees (representing 0.75-1% of turnover of the subsidiaries) N557.42 million (2011: N442.90million). This has been included in the revenue of the Company.

	2012 N'000	2011 N'000
UACN Property Development Co. Plc	77,551	97,501
Grand Cereals Limited	217,060	179,011
Chemical & Allied Products Plc	52,313	43,159
Warm Spring Waters Nigeria Limited	7,180	6,932
UAC Foods Ltd	146,832	85,087
GM Nigeria Limited	14,255	15,000
Unico Closed PFA Ltd	1,765	1,425
MDS Logistics Plc	40,468	-
SWAN Nigeria Ltd	-	14,787
	<b>557,424</b>	<b>442,901</b>

## (b) Key management compensation

Key management have been determined as directors (executive and non-executive) the Chairman and other senior management that form part of the leadership team. Details of compensation are documented in note 7.

## (c) Year-end balances arising from sales/purchases of goods/services

	2012 N'000	2011 N'000
<b>Receivable:</b>		
GM Nigeria Limited	63,442	67,974
UACN Property Development Co. Plc	48,490	28,250
Chemical & Allied Products Plc	61,346	12,227
Grand Cereals Limited	537,482	361,644
Warm Spring Waters Nigeria Limited	136,481	173,870
UNICO CPFA Ltd	16,719	5,752
UAC Restaurants Limited	38,671	-
	<b>902,630</b>	<b>649,718</b>

## Payable

	2012 N'000	2011 N'000
UAC Foods Limited	269,400	288,931
UAC Restaurants Limited	129,565	129,565
UACN Property Development Co. Plc	81,383	81,383
MDS Logistics Plc	935,852	274,509
UNICO CPFA Ltd	33,140	28,385
Warm Spring Waters Nigeria Limited	4,843	4,843
GM Nigeria Limited	44,534	44,534
UAC Registrars Ltd	59,568	29,438
	<b>1,558,284</b>	<b>881,588</b>

All trading balances will be settled in cash.

There were no provisions for doubtful related party receivables at 31 December 2012 (2011: nil) and no charges to the income statement in respect of doubtful related party receivables (2011: nil).

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

**29. Capital commitments and contingent liabilities***Capital Commitments*

	Group		Company	
	2012 N'ooo	2011 N'ooo	2012 N'ooo	2011 N'ooo
Capital expenditure authorised	9,900,561	830,504	20,834	140,833
Capital expenditure authorised & contracted	7,158,159	830,504	15,747	140,833

**30. Technical support agreements**

a) A subsidiary (CAP Plc) has a royalty agreement with AkzoNobel, United Kingdom in respect of paints produced and sold by the subsidiary. Amount charged for the year (representing 3% of turnover of Dulux Brand) is N71.82million (2011: N64.73million)

**31. Disposal of UAC Foods Limited shares to Tiger Brands**

During 2011 the Group sold 49% of its investment shares in UAC Foods Limited to Tiger Brands. The Group still retains control of UAC Foods Limited.

Details of the transaction were as follows:

	Group 2011	Company 2011
Proceeds	9,205,000	9,205,000
Cost of investment	-	(2,039,562)
Non-controlling interest raised	(1,910,208)	-
Additional costs associated with the transaction	(403,832)	(411,194)
Difference on transaction with non-controlling interest recognised in equity	6,890,960	-
Profit on disposal of shares		6,754,244

**32. Group restructuring, non-current assets held for sale and discontinued operations**

During 2011 the Group restructured its operations by transferring the businesses and the related assets and liabilities of UAC Foods and UAC Dairies divisions, along with its investment in SWAN Nigeria Ltd. to a new subsidiary, UAC Foods Limited, in exchange for the shares of UAC Foods Limited. These had previously been included in the financial statements of the Company. As the ultimate controlling party both before and after the transaction the difference arising from the transaction has been treated in equity.

These businesses were classified as non-current assets held for disposal on 1 January 2011 in the statement of financial position of the Company.

During 2012, the group also transferred the businesses of UAC Restaurants and MDS divisions to UAC Restaurants Limited and MDS Logistics Plc respectively, these were previously part of the UAC company.

These businesses were classified as non-current assets held for disposal on 31 December 2011 in the statement of financial position of the Company. In the statement of comprehensive income of the Company these were treated as discontinued operations in the period ended 31 December 2011.

**32.1 Non-current assets held for sale****Assets**

Non-current assets:  
Property, plant and equipment  
Intangible assets  
Investment property  
Investments in associates  
Available-for-sale financial assets  
Investments in subsidiaries  
Deferred tax asset

**Current assets**

Inventories  
Properties under construction  
Trade and other receivables  
Financial assets at fair value through profit or loss  
Cash and short-term deposits

**Total non-current assets held for sale****Liabilities****Non-current liabilities**

Borrowings  
Deferred taxation liabilities  
Retirement benefit obligation  
Provisions

**Current liabilities**

Trade and other payables  
Current income tax liabilities  
Bank overdrafts and current portion of borrowings  
Dividend payable

**Total liabilities associated with non-current assets held for sale**

	Company 31 Dec 2012 N'ooo	1 Jan 2011 N'ooo
Non-current assets:		
Property, plant and equipment	3,944,494	3,071,672
Intangible assets	36,746	-
Investment property	-	-
Investments in associates	-	-
Available-for-sale financial assets	-	-
Investments in subsidiaries	-	1,013,120
Deferred tax asset	452,442	88,261
	-	4,173,053
Current assets:		
Inventories	314,172	857,777
Properties under construction	-	-
Trade and other receivables	1,724,872	674,912
Financial assets at fair value through profit or loss	-	-
Cash and short-term deposits	90,347	161,295
	-	2,129,391
	-	1,693,985
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>6,563,072</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	-	-
Deferred taxation liabilities	-	-
Retirement benefit obligation	881,956	657,285
Provisions	-	-
	-	881,956
	-	657,285
<b>Current liabilities</b>		
Trade and other payables	2,352,945	757,666
Current income tax liabilities	-	-
Bank overdrafts and current portion of borrowings	-	-
Dividend payable	-	-
	-	2,352,945
	-	757,666
<b>Total liabilities associated with non-current assets held for sale</b>	<b>-</b>	<b>3,234,902</b>
		1,414,951

*32.2 Discontinued operation*

## Company

31 Dec

2011

Revenue	9,275,347
Cost of sales	(9,559,982)
Gross loss	(284,635)
Selling and distribution expenses	(62,411)
Administrative expenses	(1,466,697)
Other operating profit / expenses	7,200
Operating loss	(1,806,544)
Finance income	15,836
Finance cost	(54,205)
Loss before taxation	(1,844,913)
Taxation	-
<b>Loss from discontinued operations</b>	<b>(1,844,913)</b>

*32.2 Discontinued operations (cont'd)*

## Company

31 Dec

2011

Included in the above are the following items of impairment:	
Impairment of property, plant and equipment	797,021
Impairment of intangible assets	14,965
Impairment of receivables from Mr Biggs Ghana	410,976
Loss on Cessation of Nandos' Operations	8,118
	<b>1,231,081</b>

The impairment of the property, plant and equipment was based on the fair value less costs to sell. Refer to Note 4 for further details.

The intangible asset represents the Nandos' brand that the group no longer uses.

**33. Subsequent events****Acquisition of Livestock Feeds Plc**

In October 2012 UAC acquired an 11% stake in Livestock Feeds Plc, this amount has been included as an available for sale investment.

At the date of acquisition the group declared its intention to acquire a total of 51% of the shares of the company.

In February 2013 UAC paid an amount of N904 million into an escrow account pending approval of the transaction from the Securities and Exchange Commission of Nigeria. The transaction was finally approved in March 2013.

**34.1 Explanation of transition to IFRS**

As stated in note 2.1, these are the Group's first financial statements prepared in accordance with IFRS. The Group has applied IFRS 1 in preparing these consolidated financial statements and the accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2012, the comparative information presented in these financial statements for the year ended 31 December 2011, and in the preparation of an opening IFRS balance sheet at 1 January 2011 (the date of the Group's transition to IFRS).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Nigerian GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

The most significant IFRS impacts for the Group resulted from the implementation of IAS 16 Property, Plant and Equipment, IAS 18 Revenue in conjunction with IFRIC 15 Agreements for the construction of real estate and IAS 40 Investment Properties.

In preparing these consolidated financial statements in accordance with IFRS 1, the Group has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Group are summarised below.

Exceptions from full retrospective application - followed by the Group and Company

The Group applied the following mandatory exceptions from retrospective application:

**Estimates exception**

Estimates under IFRS at 1 January 2011 should be consistent with estimates made for the same date under Nigerian GAAP, unless there is evidence that those estimates were in error.

**Derecognition of financial assets and liabilities exception**

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS.

**Hedge accounting exception**

This exception requires the Group to apply hedge accounting only if the hedge relationship meets all the hedge accounting criteria under IAS 39. The Group has not applied hedge accounting under IFRS.

**Non-controlling interests exception**

From 1 January 2011 total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners) from 1 January 2011.

The guidance contained in IFRS on accounting for the loss of control of a subsidiary is applied prospectively from 1 January 2011.

### 34.1 Explanation of transition to IFRS

The Group applied the following optional exemptions from retrospective application:

#### Business combinations

UAC elected to apply the exemption for previous business combinations. As a result of this election the previous Nigerian GAAP numbers were carried forward. No additional assets were recognised.

#### Share based payments

UAC has elected to apply the share based payment exemption to old share based payment schemes that vested before 1 January 2011.

#### Investments in subsidiaries, associates and joint ventures

UAC has elected to apply the exemption to retain its current Nigerian GAAP numbers as the deemed cost of its investments in subsidiaries, joint ventures and associates in the company stand alone financial statements.

#### Borrowing costs exemption

UAC has elected to apply the borrowing costs exemption. In terms of this exemption, the Group is not required to assess whether any qualifying assets were constructed prior to 1 January 2011, and whether any related borrowing costs incurred should be capitalised.

#### Fair value as deemed cost

The group elected to measure certain items of property, plant and equipment at fair value as at 1 January 2011.

#### Exemption for cumulative translation differences

IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

#### Decommissioning liabilities

IFRS 1 allows a simplified calculation for the measurement of the decommissioning liability and the capitalised asset arising from it. The group applied this exemption for its decommissioning liabilities on leasehold properties.

#### Employee benefits

IFRS 1 provides retrospective relief from applying IAS 19, 'Employee benefits', for the recognition of actuarial gains and losses. In line with the exemption, the group elected to recognise all cumulative actuarial gains and losses that existed at its transition date in opening retained earnings for all its employee benefit plans.

The following optional exemptions were not relevant to the group:

- Insurance contracts (IFRS 4), as this is not relevant to the company's operations.
- Assets and liabilities of subsidiaries, associates and joint ventures, as only the group's consolidated financial statements have been prepared in accordance with IFRSs.
- Compound financial instruments, because the group does not have these types of financial instrument as at the date of transition to IFRS.
- Financial assets or intangible assets accounted for under IFRIC 12, as the group has not entered into agreements within the scope of IFRIC 12.
- Designation of previously recognised financial instruments as the classification of financial instruments held by the group was clear.
- Leases as the group has no contracts that are in substance leases.
- Fair value of financial instruments at initial recognition as this is not relevant to the group.
- Transfers of assets from customers is not relevant to the groups operations.
- The group did not previously extinguish any debts with equity.



## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

31 December 2011											
GROUP	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Financial statement errors (j) N'000
<b>Liabilities</b>											
<b>Non-current liabilities</b>											
Borrowings	17,691,599	-	-	-	-	-	-	-	-	-	-
Deferred taxation liabilities	1,828,181	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligation	3,290,836	-	-	-	-	-	-	(1,394)	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
	22,810,616	-	-	-	-	-	-	36,975	(1,394)	-	-
<b>Current liabilities</b>											
Trade and other payables	17,959,106	(82,121)	4,215,497	(10,720)	(86,372)	-	30,625	8,130	-	-	(2,048,202)
Current income tax liabilities	3,560,891	-	-	-	-	-	8,618	-	-	-	-
Bank overdrafts and current portion of borrowings	16,203,367	-	-	-	-	-	-	-	-	-	-
Dividend Payable	2,049,481	-	-	-	-	-	-	-	-	-	-
	39,772,845	(82,121)	4,215,497	(10,720)	(86,372)	-	39,244	8,130	-	-	(2,048,202)
<b>Total liabilities</b>	<b>62,583,461</b>	<b>(82,121)</b>	<b>4,215,497</b>	<b>(10,720)</b>	<b>(86,372)</b>	<b>-</b>	<b>76,218</b>	<b>6,736</b>	<b>-</b>	<b>613,123</b>	<b>(2,048,202)</b>
<b>Equity</b>											
Ordinary share capital	800,360	-	-	-	-	-	-	-	-	-	-
Share Premium	4,094,608	-	-	-	-	-	-	-	-	-	-
Capital reserve	1,984,452	-	-	-	-	-	-	-	-	-	(1,984,452)
Revaluation reserve	14,957,520	-	(14,957,520)	-	-	-	-	-	-	-	-
Contingency reserve	24,551	-	-	-	-	-	-	-	-	-	-
Other reserve	126,797	-	-	-	-	-	-	-	-	-	(126,797)
Actuarial gains and losses	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	19,028,477	3,265,890	(1,349,545)	8,818,336	(5,868)	393,613	(96,345)	(69,247)	(696,983)	(181,584)	2,111,250
Equity attributable to equity holders of the Company	41,016,765	3,265,890	(1,349,545)	(6,139,184)	(5,868)	393,613	(96,345)	(6,736)	(181,584)	(10,000)	(1,165,652)
Non-controlling interest	10,720,052	-	-	8,584,125	-	-	-	-	-	405,277	2,039,562
	51,736,817	3,265,890	(1,349,545)	2,444,941	(5,868)	393,613	(96,345)	(6,736)	(181,584)	(10,000)	(1,165,652)
<b>Total equity</b>	<b>114,320,278</b>	<b>2,444,680</b>	<b>2,865,951</b>	<b>2,434,221</b>	<b>(92,241)</b>	<b>393,613</b>	<b>(20,127)</b>	<b>(0)</b>	<b>(181,584)</b>	<b>(10,000)</b>	<b>(552,229)</b>
<b>Net equity and liabilities</b>	<b>121,593,623</b>	<b>(8,640)</b>	<b>4,215,497</b>	<b>(10,720)</b>	<b>(86,372)</b>	<b>-</b>	<b>76,218</b>	<b>6,736</b>	<b>-</b>	<b>613,123</b>	<b>(2,048,202)</b>

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS

GROUP	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Financial statement errors (j) N'000
<b>Assets</b>											
<b>Non-current assets</b>											
Property, plant and equipment	30,159,647	2,427,472	-	484,983	-	-	(9,907)	-	-	-	-
Intangible assets	51,711	17,207	-	-	-	-	-	-	-	-	-
Investment property	25,996,373	-	-	1,946,238	-	-	-	-	-	-	-
Investments in associates	175,148	-	-	-	-	-	-	-	-	-	-
Available-for-sale financial assets	1,001	-	-	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	619,979	-	-	-	-	-	-	-	-	-	-
	57,003,860	2,444,680	-	2,434,221	-	-	(9,907)	-	-	-	-
<b>Current assets</b>	<b>121,593,623</b>	<b>(8,640)</b>	<b>(552,529)</b>	<b>(10,000)</b>	<b>(86,372)</b>	<b>393,613</b>	<b>(20,127)</b>	<b>(92,241)</b>	<b>(181,584)</b>	<b>(10,000)</b>	<b>(552,229)</b>
	60,460,832	-	-	-	-	393,613	(10,720)	(92,241)	-	-	-
<b>Total assets</b>	<b>121,593,623</b>	<b>(8,640)</b>	<b>4,215,497</b>	<b>(10,720)</b>	<b>(86,372)</b>	<b>393,613</b>	<b>(20,127)</b>	<b>(92,241)</b>	<b>(181,584)</b>	<b>(10,000)</b>	<b>(552,229)</b>
	57,003,860	2,444,680	-	2,434,221	-	-	(9,907)	-	-	-	-
<b>Current assets</b>	<b>121,593,623</b>	<b>(8,640)</b>	<b>(552,529)</b>	<b>(10,000)</b>	<b>(86,372)</b>	<b>393,613</b>	<b>(20,127)</b>	<b>(92,241)</b>	<b>(181,584)</b>	<b>(10,000)</b>	<b>(552,229)</b>
	60,460,832	-	-	-	-	393,613	(10,720)	(92,241)	-	-	-
<b>Total assets</b>	<b>121,593,623</b>	<b>(8,640)</b>	<b>4,215,497</b>	<b>(10,720)</b>	<b>(86,372)</b>	<b>393,613</b>	<b>(20,127)</b>	<b>(92,241)</b>	<b>(181,584)</b>	<b>(10,000)</b>	<b>(552,229)</b>

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

1 January 2011														
GROUP	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Deferred tax (j) N'000	Financial statement presentation (k) N'000	Correction of errors (l) N'000	IFRS N'000
<b>Non-current liabilities</b>														
Borrowings	20,511,921	-	-	-	-	-	-	-	-	-	-	-	-	20,623,809
Deferred taxation liabilities	2,353,177	-	-	-	-	-	-	-	-	-	-	-	(235,149)	3,350,868
Retirement benefit obligation	2,339,015	-	-	-	-	-	37,942	1,210,297	-	-	-	-	(235,149)	3,549,313
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	37,942
	25,204,113	-	-	-	-	-	37,942	1,210,297	111,888	-	230,439	-	(235,149)	26,559,539
<b>Current liabilities</b>														
Trade and other payables	18,233,213	(24,190)	864,766	(74,294)	(88,679)	-	(19,688)	7,904	-	-	-	-	235,149	19,134,180
Current income tax liabilities	3,382,150	-	-	-	-	-	8,618	-	-	-	-	-	-	3,390,768
Bank overdrafts and current portion of borrowings	7,081,960	-	-	-	-	-	-	-	-	-	-	-	-	7,081,960
Dividend payable	2,118,820	-	-	-	-	-	-	-	-	-	-	-	-	2,118,820
	30,816,143	(24,190)	864,766	(74,294)	(88,679)	-	(11,071)	7,904	-	-	-	-	235,149	31,725,772
<b>Total liabilities</b>	<b>56,020,256</b>	<b>(24,190)</b>	<b>864,766</b>	<b>(74,294)</b>	<b>(88,679)</b>	<b>-</b>	<b>26,871</b>	<b>1,218,201</b>	<b>111,888</b>	<b>-</b>	<b>230,439</b>	<b>-</b>	<b>-</b>	<b>58,285,258</b>
<b>Equity</b>														
Ordinary share capital	800,360	-	-	-	-	-	-	-	-	-	-	-	-	800,360
Share Premium	4,094,608	-	-	-	-	-	-	-	-	-	-	-	-	4,094,608
Capital reserve	1,984,452	-	-	-	(15,896,528)	-	-	-	-	-	-	(1,984,452)	-	-
Revaluation reserve	15,896,528	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency reserve	20,870	-	-	-	-	-	-	-	-	-	-	-	-	20,870
Other reserve	126,797	-	-	-	-	-	-	-	-	-	-	(126,797)	-	-
Actual gains and losses	13,482,386	3,706,364	(1,154,785)	8,388,987	(152,742)	358,382	(36,762)	(1,218,201)	(203,526)	(450,621)	(519,905)	2,111,249	-	24,310,828
<b>Equity attributable to equity holders of the Company</b>	<b>36,406,001</b>	<b>3,706,364</b>	<b>(1,154,785)</b>	<b>(7,507,541)</b>	<b>(152,742)</b>	<b>358,382</b>	<b>(36,762)</b>	<b>(1,218,201)</b>	<b>(203,526)</b>	<b>(450,621)</b>	<b>(519,905)</b>	<b>-</b>	<b>-</b>	<b>29,226,664</b>
<b>Non controlling interest</b>	<b>9,181,670</b>	<b>-</b>	<b>-</b>	<b>8,584,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,267,779</b>
<b>Total equity</b>	<b>45,587,671</b>	<b>3,706,364</b>	<b>(1,154,785)</b>	<b>1,076,584</b>	<b>(152,742)</b>	<b>358,382</b>	<b>(36,762)</b>	<b>(1,218,201)</b>	<b>(203,526)</b>	<b>51,363</b>	<b>(519,905)</b>	<b>-</b>	<b>-</b>	<b>47,494,443</b>
<b>Net equity and liabilities</b>	<b>101,607,927</b>	<b>3,682,174</b>	<b>(290,020)</b>	<b>1,002,290</b>	<b>(241,421)</b>	<b>358,382</b>	<b>(9,891)</b>	<b>-</b>	<b>(91,638)</b>	<b>51,363</b>	<b>(289,466)</b>	<b>-</b>	<b>-</b>	<b>105,779,201</b>

## 34.3 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

GROUP	1 January 2011												
	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Deferred tax (j) N'000	Financial statement presentation (k) N'000	Correction of errors (l) N'000
Assets													
Non-current assets													
Property, plant and equipment	30,355,423	3,627,013	-	483,336	-	-	(9,891)	-	(138,072)	-	-	-	34,317,808
Intangible assets	100,046	55,161	-	-	-	-	-	-	-	-	-	-	155,207
Investment property	21,115,645	-	-	518,954	-	-	-	-	-	-	-	-	21,634,599
Investments in associates	996,345	-	-	-	-	-	-	-	-	51,363	-	-	1,047,708
Available-for-sale financial assets	1,001	-	-	-	-	-	-	-	-	-	-	-	1,001
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	480,650	-	-	-	-	-	-	-	-	(289,466)	-	-	191,184
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Current assets													
Inventories	31,496,374	-	1,842,153	-	-	358,382	-	-	-	(138,072)	51,363	(289,466)	57,347,508
Properties under construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	9,805,625	-	(2,132,172)	-	(241,421)	-	-	-	46,434	-	-	-	7,478,466
Financial assets at fair value through profit or loss	10,656	-	-	-	-	-	-	-	-	-	-	-	10,656
Cash and short-term deposits	7,246,162	-	-	-	-	-	-	-	-	-	-	-	7,246,162
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Total assets	101,607,927	3,682,174	(290,020)	1,002,290	(241,421)	358,382	(9,891)	-	46,434	51,363	(289,466)	-	105,779,701

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

31 December 2011

COMPANY	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Deferred tax presentation (j) N'000	Financial statement presentation (k) N'000	Correction of errors (l) N'000	IFRS N'000
<b>Liabilities</b>														
<b>Non-current liabilities</b>														
Borrowings	(338,927)	-	-	-	-	-	-	-	-	-	-	-	-	10,384
Deferred tax liabilities	2,600,164	-	-	-	-	-	-	-	-	-	-	-	-	1,455,043
Provisions	-	-	-	-	-	18,820	-	(815,250)	-	-	-	(881,956)	-	902,957
	2,261,237	-	-	-	-	18,820	-	(815,250)	-	-	-	(881,956)	-	1,077,205
<b>Current liabilities</b>														
Trade and other payables	3,734,207	(797,021)	-	-	-	59,000	367,027	-	-	-	-	(2,352,945)	-	979,601
Current income tax liabilities	742,974	-	-	-	-	8,518	-	-	-	-	-	-	-	751,592
Bank overdrafts and current portion of borrowings	1,697,424	-	-	-	-	-	-	-	-	-	-	-	-	1,697,424
Dividend payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,174,605	(797,021)	-	-	-	67,518	367,027	-	-	-	-	(2,352,945)	-	3,428,617
<b>Total liabilities</b>	<b>8,435,842</b>	<b>(797,021)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,438</b>	<b>(448,223)</b>	<b>10,384</b>	<b>-</b>	<b>-</b>	<b>31,528</b>	<b>(2,782,460)</b>	<b>-</b>	<b>4,505,822</b>
<b>Equity</b>														
Ordinary share capital	800,360	-	-	-	-	-	-	-	-	-	-	-	-	800,360
Share Premium	4,094,608	-	-	-	-	-	-	-	-	-	-	-	-	4,094,608
Capital reserve	1,984,452	-	-	-	-	-	-	-	-	-	-	(1,984,452)	-	0
Revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Confidence reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserve	126,797	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated gains and losses	8,503,160	(542,444)	-	1,188,955	(61,075)	171,583	(96,345)	58,339	(182,555)	-	56,733	-	-	16,102,567
Reserve for contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity attributable to equity holders of the Company	15,509,376	(542,444)	-	1,188,955	(61,075)	171,583	(96,345)	58,339	(182,555)	-	56,733	-	-	16,102,567
<b>Non-controlling interests</b>	<b>15,509,376</b>	<b>(542,444)</b>	<b>-</b>	<b>1,188,955</b>	<b>(61,075)</b>	<b>171,583</b>	<b>(96,345)</b>	<b>58,339</b>	<b>(182,555)</b>	<b>-</b>	<b>56,733</b>	<b>-</b>	<b>-</b>	<b>16,102,567</b>
<b>Total equity</b>	<b>15,509,376</b>	<b>(542,444)</b>	<b>-</b>	<b>1,188,955</b>	<b>(61,075)</b>	<b>171,583</b>	<b>(96,345)</b>	<b>58,339</b>	<b>(182,555)</b>	<b>-</b>	<b>56,733</b>	<b>-</b>	<b>-</b>	<b>16,102,567</b>
<b>Net equity and liabilities</b>	<b>23,945,218</b>	<b>(1,339,465)</b>	<b>-</b>	<b>1,188,955</b>	<b>(91,742)</b>	<b>171,583</b>	<b>(9,907)</b>	<b>(398,884)</b>	<b>(172,170)</b>	<b>-</b>	<b>88,261</b>	<b>(2,782,460)</b>	<b>-</b>	<b>20,603,398</b>

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

31 December 2011

COMPANY	IFRS N'000	Correction of errors (l) N'000	Financial statement presentation (k) N'000	Deferred tax (j) N'000	Scope of consolidation (i) N'000	Employee benefits (g) N'000	Provisions (f) N'000	Inventories (e) N'000	Financial instruments (d) N'000	Investment property (c) N'000	Revenue (b) N'000	PPE (a) N'000	Nigerian GAAP N'000	Correction of errors (l) N'000	IFRS N'000
<b>Assets</b>															
<b>Non-current assets</b>															
Property, plant and equipment	6,316,152	(1,303,826)	-	-	-	-	-	-	-	-	-	-	-	-	5,012,326
Intangible assets	51,712	(14,965)	-	-	-	-	-	-	-	-	-	-	-	-	36,747
Investment property	1,224,800	-	-	-	-	-	-	-	-	1,224,800	-	-	-	-	1,224,800
Investments in associates	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	24,000
Available-for-sale financial assets	1,001	-	-	-	-	-	-	-	-	-	-	-	-	-	1,001
Investments in subsidiaries (m)	5,402,290	(20,674)	-	-	-	-	-	-	-	-	-	-	-	-	5,381,616
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	862,600	(3,944,494)	-	-	(159,481)	(9,907)	-	-	-	-	-	-	-	-	858,659
<b>Current assets</b>															
Inventories	20,790	(314,172)	-	-	-	-	-	39,767	-	-	-	-	-	-	19,517
Properties under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	638,619	(12,690)	-	-	-	-	-	(7,928)	-	-	-	-	-	-	625,921
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and short-term deposits	9,312,060	(90,347)	-	-	-	-	-	-	-	-	-	-	-	-	9,221,713
	9,312,060	(90,347)	-	-	-	-	-	-	-	-	-	-	-	-	9,221,713
<b>Total assets</b>	<b>17,280,218</b>	<b>(1,339,465)</b>	<b>-</b>	<b>1,188,955</b>	<b>(91,742)</b>	<b>171,583</b>	<b>(9,907)</b>	<b>(398,884)</b>	<b>(172,170)</b>	<b>-</b>	<b>88,261</b>	<b>(2,782,460)</b>	<b>-</b>	<b>20,603,398</b>	

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

31st December 2011													1 January 2011	
COMPANY	Nilgirim N'000	PRF (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Deferred tax (j) N'000	Financial statements presentation (k) N'000	Correction of errors (l) N'000	IFRS N'000
<b>Liabilities</b>														
<b>Non-current liabilities</b>														
Borrowings	168,386	-	-	-	-	-	-	-	-	-	-	-	-	290,479
Deferred taxation liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,741,126
Retirement benefit obligation	1,819,154	-	-	-	-	-	15,949	580,057	-	-	-	(657,285)	-	15,949
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,987,540	-	-	-	-	-	15,949	580,057	122,093	-	-	(657,285)	-	2,048,354
<b>Current liabilities</b>														
Trade and other payables	2,761,351	(24,190)	-	-	(32,974)	-	2,304	172,495	-	-	-	(757,666)	-	2,121,320
Current income tax liabilities	565,830	-	-	-	-	-	8,618	-	-	-	-	-	-	574,448
Bank overdrafts and current portion of borrowings	1,556,271	-	-	-	-	-	-	-	-	-	-	-	-	1,556,271
Dividend payable	1,851,554	-	-	-	-	-	-	-	-	-	-	-	-	1,851,554
	6,735,006	(24,190)	-	-	(32,974)	-	10,922	172,495	-	-	-	(757,666)	-	6,103,594
<b>Total liabilities</b>	<b>8,722,546</b>	<b>(24,190)</b>	<b>-</b>	<b>-</b>	<b>(32,974)</b>	<b>-</b>	<b>26,871</b>	<b>752,551</b>	<b>122,093</b>	<b>-</b>	<b>-</b>	<b>(1,414,951)</b>	<b>-</b>	<b>8,151,947</b>
<b>Equity</b>														
Ordinary share capital	800,360	-	-	-	-	-	-	-	-	-	-	-	-	800,360
Share Premium	4,094,608	-	-	-	-	-	-	-	-	-	-	-	-	4,094,608
Capital reserve	1,984,452	-	-	-	-	-	-	-	-	-	-	(1,984,452)	-	-
Revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserve	126,797	-	-	-	-	-	-	-	-	-	-	(126,797)	-	-
Actuarial gains and losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	4,826,757	(301,511)	-	1,079,371	(34,203)	169,900	(36,782)	(752,551)	(204,122)	-	236,561	2,111,249	-	7,094,689
<b>Equity attributable to equity holders of the company</b>	<b>11,832,974</b>	<b>(301,511)</b>	<b>-</b>	<b>1,079,371</b>	<b>(34,203)</b>	<b>169,900</b>	<b>(36,782)</b>	<b>(752,551)</b>	<b>(204,122)</b>	<b>-</b>	<b>236,561</b>	<b>-</b>	<b>-</b>	<b>11,989,657</b>
<b>Non controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>11,832,974</b>	<b>(301,511)</b>	<b>-</b>	<b>1,079,371</b>	<b>(34,203)</b>	<b>169,900</b>	<b>(36,782)</b>	<b>(752,551)</b>	<b>(204,122)</b>	<b>-</b>	<b>236,561</b>	<b>(1,414,951)</b>	<b>-</b>	<b>11,989,657</b>
<b>Net equity and liabilities</b>	<b>20,555,520</b>	<b>(325,700)</b>	<b>-</b>	<b>1,079,371</b>	<b>(67,177)</b>	<b>169,900</b>	<b>(9,891)</b>	<b>-</b>	<b>(82,028)</b>	<b>-</b>	<b>236,561</b>	<b>(1,414,951)</b>	<b>-</b>	<b>20,141,604</b>

## 34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.

34.2 Reconciliation of Nigerian GAAP Financial Position to IFRS contd.														
COMPANY	1 January 2011													
	Nigerian GAAP N'000	PPE (a) N'000	Revenue (b) N'000	Investment property (c) N'000	Financial instruments (d) N'000	Inventories (e) N'000	Provisions (f) N'000	Employee benefits (g) N'000	Leases (h) N'000	Scope of consolidation (i) N'000	Deferred tax (j) N'000	Financial statement presentation (k) N'000	Correction of errors (l) N'000	IFRS N'000
<b>Assets</b>														
<b>Non-current assets</b>														
Property, plant and equipment	9,751,223	(325,700)	-	(209,891)	-	-	(9,891)	-	(128,462)	-	-	(3,071,672)	-	6,005,606
Intangible assets	100,046	-	-	-	-	-	-	-	-	-	-	-	-	100,046
Investment property	-	-	-	1,289,262	-	-	-	-	-	-	-	-	-	1,289,262
Investments in associates	24,000	-	-	-	-	-	-	-	-	-	-	-	-	24,000
Available-for-sale financial assets	1,001	-	-	-	-	-	-	-	-	-	-	-	-	1,001
Investments in subsidiaries	3,551,891	-	-	-	-	-	-	-	-	-	-	(1,013,120)	-	2,538,771
Deferred tax asset	206,802	-	-	-	-	-	-	-	-	-	236,561	(88,261)	-	355,102
	13,634,963	(325,700)	-	1,079,371	-	-	(9,891)	-	(128,462)	-	236,561	(4,173,053)	-	10,313,788
<b>Current assets</b>														
Inventories	1,244,847	-	-	-	-	169,900	-	-	-	-	-	(897,777)	-	556,970
Properties under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	3,439,842	-	-	-	(67,177)	-	-	-	46,434	-	-	(674,912)	-	2,744,187
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and short-term deposits	2,235,868	-	-	-	-	-	-	-	-	-	-	(161,295)	-	2,074,573
	6,920,557	-	-	-	(67,177)	169,900	-	-	46,434	-	-	(1,693,985)	-	5,375,730
<b>Total assets</b>	<b>20,555,520</b>	<b>(325,700)</b>	<b>-</b>	<b>1,079,371</b>	<b>(67,177)</b>	<b>169,900</b>	<b>(9,891)</b>	<b>-</b>	<b>(82,028)</b>	<b>-</b>	<b>236,561</b>	<b>(5,867,038)</b>	<b>-</b>	<b>15,689,518</b>

## 343 Reconciliation of Nigerian GAAP comprehensive income to IFRS:

GROUP	31 December 2011									
	Nigerian GAAP	PPE (a)	Revenue (b)	Investment	Provisions	Employee	Leases (h)	Deferred	Financial	Correction of
	N'000	N'000	N'000	income (c)	(d)	benefits (g)	(i)	tax (j)	statement	errors (l)
Revenue	53,588,189	-	(2,468,897)	(1,472,381)	(8,095)	-	-	-	-	-
Cost of sales	(45,606,720)	(295,571)	2,274,130	152,800	-	-	-	-	-	-
Gross profit	17,981,469	(295,571)	(1,947,760)	(1,319,581)	(8,095)	-	-	-	-	-
Dividends received	(1,649,230)	-	-	-	-	-	-	-	-	-
Selling and distribution expenses	(7,369,298)	(14,965)	-	(61,946)	-	-	-	-	-	-
Administrative expenses	570,904	(129,937)	-	1,532,415	-	-	-	-	-	-
Other operating profit / expenses	(1,773,002)	-	-	-	-	-	-	-	-	-
Exceptional items	5,721,991	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Operating profit	13,701,904	(440,473)	(194,760)	150,907	128,347	521,218	38,673	(6,108,833)	-	-
Finance income	933,051	-	-	-	18,526	-	-	-	-	-
Finance cost	(1,686,955)	-	-	-	-	-	-	-	-	-
Net finance income / (cost)	(753,904)	-	-	-	18,526	-	-	-	-	-
Share of (loss) / profit of associates	13,585	-	-	-	-	-	-	-	-	-
Profit before taxation	12,988,761	(440,473)	(194,760)	150,907	146,873	521,218	21,942	(6,108,833)	-	-
Taxation	(2,281,593)	-	-	278,443	-	-	-	(438,674)	-	-
Profit for the year	10,202,168	(440,473)	(194,760)	429,350	146,873	521,218	21,942	(6,754,244)	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Actuarial gains on defined benefit plan	-	-	-	-	-	-	-	-	-	-
Deferred tax on actuarial gains	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of taxation	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	10,202,168	(440,473)	(194,760)	429,350	146,873	521,218	21,942	(6,754,244)	-	-
Profit attributable to:	-	-	-	-	-	-	-	-	-	-
Equity holders of the parent	7,303,203	(440,473)	(194,760)	429,350	146,873	521,218	21,942	(6,754,244)	-	-
Non controlling interests	2,898,965	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to:	-	-	-	-	-	-	-	-	-	-
Equity holders of the parent	7,303,203	(440,473)	(194,760)	429,350	146,873	521,218	21,942	(6,754,244)	-	-
Non controlling interests	2,898,965	-	-	-	-	-	-	-	-	-

## 343 Reconciliation of Nigerian GAAP comprehensive income to IFRS contd:

31 December 2011

COMPANY	31 December 2011									
	Nigerian GAAP	PPE (a)	Revenue (b)	Investment	Provisions	Employee	Leases (h)	Deferred	Financial	Correction of
	N'000	N'000	N'000	income (c)	(d)	benefits (g)	(i)	tax (j)	statement	errors (l)
Revenue	9,465,869	(227,274)	-	-	-	-	-	-	-	-
Cost of sales	(8,269,764)	(227,274)	-	-	-	-	-	-	-	-
Gross profit	1,196,105	(227,274)	-	-	-	-	-	-	-	-
Dividends received	(96,984)	-	-	-	-	-	-	-	-	-
Selling and distribution expenses	(1,587,778)	17,575	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Gain on disposal of shares in UAC Foods Limited	1,934,218	(31,234)	-	-	-	-	-	-	-	-
Other operating profit / expenses	(1,833,319)	-	-	-	-	-	-	-	-	-
Exceptional items	5,721,991	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Operating profit	5,334,232	(240,933)	-	109,584	(2,687,3)	472,132	41,677	-	-	-
Finance income	814,536	-	-	-	-	-	15,836	-	-	-
Finance cost	(100,723)	-	-	-	-	-	(35,946)	-	-	-
Net finance income / (cost)	713,813	-	-	-	-	-	(20,110)	-	-	-
Share of (loss) / profit of associates	-	-	-	-	-	-	-	-	-	-
Profit before taxation	6,048,045	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Taxation	(610,849)	-	-	-	1,682	(59,583)	(78,200)	-	-	-
Profit from continuing operations	5,437,195	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Profit / (loss) from discontinued operations	-	-	-	-	1,682	(59,583)	(78,200)	-	-	-
Profit for the year	5,437,195	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Actuarial gains on defined benefit plan	-	-	-	-	-	-	-	-	-	-
Deferred tax on actuarial gains	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of taxation	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	5,437,195	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Profit attributable to:	-	-	-	-	-	-	-	-	-	-
Equity holders of the parent	5,437,195	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Non controlling interests	-	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to:	-	-	-	-	-	-	-	-	-	-
Equity holders of the parent	5,437,195	(240,933)	-	109,584	(2,687,3)	472,132	21,567	-	-	-
Non controlling interests	-	-	-	-	-	-	-	-	-	-

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS

## (a) Property, plant and equipment

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on PPE:</u>				
A number of assets within the group were remeasured at 1 January 2011 using the fair value as deemed cost exemption under IFRS 1.	3,831,423	3,831,423	-	-
Under Nigerian GAAP the group enforced standardised useful lives and residual values that had no correlation with the actual lives and values of group assets due to the disparate nature of the groups assets. A detailed exercise was performed to identify useful lives and residual values that were more reflective of the economic realities faced by the business units.	(11,697)	296,015	(6,989)	116,775
A detailed impairment exercise was performed on assets in the group.	(1,360,080)	(445,263)	(1,296,837)	(442,476)
Software had been captured as part of computer equipment and was transferred to intangible assets.	(32,173)	(55,161)	-	-
Total impact on PPE	2,427,472	3,627,013	(1,303,826)	(325,700)
<u>Impact on Intangible assets</u>				
	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
Software had been captured as part of computer equipment and was transferred to intangible assets.	32,173	55,161	-	-
The Nandos brand was identified as impaired as part of the cessation of Nandos operations.	(14,965)	-	(14,965)	-
Total impact on intangible assets	17,207	55,161	(14,965)	-
<u>Impact on profit before tax</u>				
Increased depreciation as a result of the above.	(75,780)		22,046	
Increased loss on sale of PPE	(135,735)		(31,234)	
Increased impairment exercise in 2011	(219,791)		(219,791)	
Reversal of impairment under N-GAAP / (Impairment charge)	5,799		3,011	
Impairment of Nandos brand	(14,965)		(14,965)	
	(440,473)		(240,933)	

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

## (b) Revenue recognition

The Group's previous recognition policy on the sale of property stocks was based on the receipt of more than 50% of the cash and completing more than 50% of the construction activities. Under the application of IFRIC 15 it was identified that sale of property stocks should be recognised as revenue only once the significant risks and rewards of ownership had passed to the buyer.

Some sales previously recorded in the published NGAAP accounts were therefore derecognised under IFRS and recognised at later dates, when the risks and rewards have actually passed.

## (c) Investment property

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on PPE:</u>				
It was identified that there were investment properties held in the Group that were included within PPE. These were transferred to investment properties.	(208,244)	(209,891)	(35,845)	(209,891)
Investment properties that were leased to group companies were reclassified as PPE.	693,227	693,227	-	-
Total impact on PPE	484,983	483,336	(35,845)	(209,891)
<u>Impact on investment properties</u>				
	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
It was identified that there were investment properties held in the Group that were included within PPE. These were transferred to investment properties.	209,891	209,891	37,492	209,891
Investment properties that were leased to group companies were reclassified as PPE. Including the reversal of revaluations.	(759,587)	(759,587)	-	-
Increase in fair value of identified investment properties.	2,509,654	1,079,371	1,187,308	1,079,371
Provisions on expiring leases were reclassified to investment properties as part of the fair value adjustments.	(10,720)	(10,720)	-	-
Total impact on investment properties	1,949,238	249,917	1,224,800	1,289,262
<u>Impact on other liabilities</u>				
Provisions on expiring leases were reclassified to investment properties as part of the fair value adjustments.	(10,720)	(10,720)	-	-
Reversal of provision not required under IFRS		(63,573)		-
Total impact on other liabilities	(10,720)	(74,294)	-	-

Impact on revaluation reserve

Under Nigerian GAAP fair value gains and losses were included directly in equity. Total reserves were released to retained earnings.



## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on profit before tax:</u>				
Reversal of depreciation on PPE reclassified as investment properties	1,647		1,647	
Portion of revaluation reserve reclassified to profit or loss.	(1,217,450)		-	
Fair value gains on investment properties not recorded under Nigerian GAAP.	1,430,284		107,937	
Reversal of provision not required under IFRS.	(63,573)		-	
	<u>150,907</u>		<u>109,584</u>	

Impact on NCI:

The non-controlling interests share of the revaluation reserve was not raised under Nigerian GAAP.	8,584,125	8,584,125		
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Impact on tax expense

Reclassification of deferred tax from reserves to tax expense.	278,443			
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## (d) Financial instruments

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on trade and other receivables</u>				
Reclassification of debtors with credit balances.	2,307	-	2,307	-
Reclassification of impairment included in other liabilities.	(88,679)	(88,679)	(32,974)	(32,974)
Impairment of debtors under Nigerian GAAP was based on a percentage of days outstanding. A detailed analysis of expected cash flow recoveries was performed under IFRS.	467	(136,976)	(45,614)	(34,203)
Adjustment for items that were sold with deferred payment terms.	(6,335)	(15,766)	-	-
Total impact on trade and other receivables	<u>(92,241)</u>	<u>(241,421)</u>	<u>(76,281)</u>	<u>(67,177)</u>

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on trade and other payables</u>				
Reclassification of debtors with credit balances.	2,307	-	2,307	-
Reclassification of impairment included in other liabilities.	(88,679)	(88,679)	(32,974)	(32,974)
Total impact on trade and other payables	<u>(86,372)</u>	<u>(88,679)</u>	<u>(30,667)</u>	<u>(32,974)</u>

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on profit before tax</u>				
Revenue related to sale under deferred payment terms representing interest income.	(9,095)		-	
Change in impairment.	137,443		(26,873)	
Interest income relating to sales under deferred payment terms.	18,526		-	
Total impact on profit before tax	<u>146,873</u>		<u>(26,873)</u>	

## (e) Inventories

Under Nigerian GAAP provisions are raised for stock based on group estimates of losses. These estimates may not represent the net realisable value of the inventory. The adjustment represents the amount necessary to bring the provision in line with the estimated net realisable value of the inventories.

## (f) Provisions

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on PPE</u>				
Provisions raised under Nigerian GAAP in 2012 relate to impairments from opening balance sheet.	(14,535)	(14,535)	(14,535)	(14,535)
Capitalised portion of decommissioning costs relating to leasehold improvements that need to be restored to original condition upon expiry of the lease.	5,789	5,789	5,789	5,789
Accumulated depreciation to date of capitalised decommissioning costs.	(1,161)	(1,145)	(1,161)	(1,145)
Total impact on PPE	<u>(9,907)</u>	<u>(9,891)</u>	<u>(9,907)</u>	<u>(9,891)</u>
<u>Impact on Accounts receivable</u>				
A portion of the provision raised under Nigerian GAAP actually represented a write off of accounts receivable.	(10,220)	-	-	-
<u>Tax payable</u>				
Raising current tax relating to 2011 that had been under dispute.	8,618	8,618	8,618	8,618

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on provisions</u>				
Raising of various accrued expenses for the period that had not been recognised under Nigerian GAAP.	48,780	2,304	59,000	2,304
Reclassification of warranty provision to provisions under IFRS.	(18,155)	(21,993)	-	-
Total impact on accounts and other payables	30,625	(19,689)	59,000	2,304
<u>Impact on provisions</u>				
Reclassification of provision from accounts payable.	18,155	21,993	-	-
Recognition of decommissioning liability under IFRS.	18,820	15,949	18,820	15,949
Total impact on provisions	36,975	37,942	18,820	15,949
<u>Impact on profit before tax</u>				
Depreciation of decommissioning assets.	(16)		(16)	
Recognition of various accrued expenses.	(56,696)		(56,696)	
Unwinding of discount on decommissioning liability.	(2,871)		(2,871)	
Total impact on profit before tax	(59,583)		(59,583)	

## (g) Employee benefits

Impact on trade and other payables

Provision for accumulating short term benefits in the form of provision for leave pay was raised under IFRS.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
	8,130	7,904	1,934	1,934

Impact on defined benefit plan

The Group operates a gratuity scheme that meets the definition of a defined benefit plan. Under Nigerian GAAP this value was calculated using the accrued liability method. Under IFRS it was calculated using the projected unit credit method.

	1,394	1,210,297	815,250	580,057
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Impact on profit before tax

Calculation of interest and current service costs on the defined benefit plan.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
	521,444		399,263	

Change in the provision for leave pay.

	(226)		-	
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Total impact on profit before tax

	521,218		399,263	
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Impact on other comprehensive income

The Group elected to recognise all actuarial gains and losses in other comprehensive income.

	690,247		338,759	
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## (h) Leases

Impact on PPE

The group accounted for a number of motor vehicle leases as operating leases under Nigerian GAAP, these were accounted for as finance leases under IFRS.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011

	147,100	156,710	147,100	
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During 2011 the motor vehicles were repaid early. This amount was capitalised as the cost under Nigerian GAAP, this was reversed to the original cost of acquisition under the finance lease.

	(97,485)		(97,485)	
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UAC Restaurants entered into a number of Company Owned Franchise Operated (COFO) contracts whereby assets were effectively sold under a finance lease to the franchisees. These were accounted for as operating leases under Nigerian GAAP.

	(218,509)	(294,782)	(218,509)	
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One of the group entities leased a warehouse from another entity. This was accounted for as an operating lease under Nigerian GAAP, this was treated as a finance lease under IFRS.

	-	-	9,414	
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Total impact on PPE

	(168,894)	(138,072)	(159,481)	-
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## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on accounts and other receivables</u>				
UAC Restaurants entered into a number of Company Owned Franchise Operated (COFO) contracts whereby assets were effectively sold under a finance lease to the franchisees. These were accounted for as operating leases under Nigerian GAAP.	260,487	455,074	260,487	
Impairment of COFO debtors.	(273,177)	(408,640)	(273,177)	
Total impact on accounts and other receivables	(12,690)	46,434	(12,690)	-
<u>Impact on accounts payable</u>				
One of the group entities leased a warehouse from another entity. This was accounted for as an operating lease under Nigerian GAAP, this was treated as a finance lease under IFRS.	-	-	(10,384)	
<u>Impact on profit before tax</u>				
Reversal of rental charges on motor vehicles leases recognised as an expense under Nigerian GAAP.	47,970		47,970	
Decreased depreciation on COFO assets	40,581			
Decreased loss on sale of PPE assets	26,025			
Impairment of COFO receivables.	(74,903)		(74,903)	
Finance income relating to COFO arrangements.	15,836		15,836	
Finance costs relating to motor vehicle and warehouse leases	(11,462)		(13,841)	
Loss on early settlement of motor vehicle finance lease.	(22,105)		(22,105)	
Reversal of rental charges on warehouse lease recognised as an expense under Nigerian GAAP.	-		2,004	
Total impact on profit before tax	21,942		(45,039)	

## (i) Scope of consolidation

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
<u>Impact on long term investments</u>				
An investment held by one of the subsidiaries in UNICO was not eliminated on group consolidation.	(10,000)	(10,000)		
This represent UPDC's share of the previous year profits of 1004 Estates Ltd. IFRS requires investment in JV's to be accounted for using equity method or proportionate consolidation. UAC elected the equity method, which means investment is carried at cost plus company's share of profit or loss of the JV.		61,363		
Total impact on long term investments	(10,000)	51,363	-	-

Impact on non-controlling interest

UNICO investment	(10,000)	(10,000)	-	-
Non-controlling interests' share of IFRS adjustments.	405,277	511,984	-	-

Total impact on NCI

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
UNICO investment	(10,000)	(10,000)	-	-
Non-controlling interests' share of IFRS adjustments.	405,277	511,984	-	-
Total impact on NCI	395,277	501,984	-	-

Impact on profit before tax

The investment in a joint venture (1004 Limited) was sold during the period at a loss, the equity profits were released as part of this loss.

	(61,363)	-	-	-
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## (j) Deferred tax

Deferred tax assets:

Impact of IFRS adjustments

	GROUP		COMPANY	
	31 Dec 2011	1 Jan 2011	31 Dec 2011	1 Jan 2011
Impact of IFRS adjustments	(552,529)	(289,466)	-	236,561

Deferred tax liability:

Impact of IFRS adjustments  
Under Nigerian GAAP deferred tax in one of the subsidiaries, UPDC was raised on investment properties at the capital gains tax rate. As a result of IFRS the Federal Inland Revenue Service is expecting to tax gains on investment properties at the normal tax rate and not capital gains rate. This is expected to apply only to property development companies and not all members of the group.

	613,123	230,439	31,528	-
	-	-		
	613,123	230,439		

Impact on total comprehensive income

Profit after tax  
Other comprehensive income  
Total impact on total comprehensive income

	(438,674)		(78,200)	
	(207,074)		(101,628)	
	(645,748)		(179,828)	

## (k) Financial statement presentation

Reserve reallocation:

In prior years under Nigerian GAAP the Group had retained amounts in various reserves arising from restructurings and prior business combinations. These are no longer required under IFRS or local legislation and have been released to retained earnings.

Capital reserve	(1,984,452)	(1,984,452)	(1,984,452)	(1,984,452)
Other reserves	(126,797)	(126,797)	(126,797)	(126,797)
Retained earnings	2,111,249	2,111,249	2,111,249	2,111,249

## Non-current assets held for sale

During 2011 the Logistics and Restaurants businesses were classified as held for sale in the books of the Company as a result of a group's restructuring. As at 1 January 2011 the Foods, Dairies and Water (SWAN) businesses were classified as held for sale in the books of the Company as a result of a group restructuring.

Details of the amounts included in the non-current assets held for sale and liabilities associated with non-current assets held for sale can be found in Note 32.

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP 31 Dec 2011	COMPANY 31 Dec 2011
<u>Impact on profit after tax:</u>		
Various items were previously presented as exceptional items. These have now been presented as part of the function to which they relate.		
The Logisitics and Restaurants businesses were classified as held for sale in the books of the Company as a result of a group restructuring. The individual contributions to the various line items of profit or loss have been reclassified as discontinued operations in the period ended 31 December 2011. Further details can be found in Note 32.		
The profit on disposal of shares in UAC Foods Limited that did not result in a loss of control was presented as part of profit under Nigerian GAAP. Under IFRS this is seen as transaction with Non-controlling interest and is presented directly in the statement of changes in equity.	(5,721,991)	-
Under Nigerian GAAP a number of costs had been included in the profit on sale of the shares in UAC Foods limited. Under IFRS these costs would not be as a result of the sale and would be recognised individually. These have been reclassified to administrative expenses.	(1,032,254)	
Under Nigerian GAAP revenue arising from the allocation of costs to the subsidiaries was included as a reduction in operating expenses. Under IFRS these have been recognised as revenue arising from management fees and not reimbursements of costs.		442,901

## (l) Correction of errors

	GROUP 31 Dec 2011	1 Jan 2011	COMPANY 31 Dec 2011	1 Jan 2011
<u>Impact on non-controlling interests</u>				
As part of the sale of shares in UAC Foods Limited to Tiger Brands, an amount should have been raised for the non-controlling interest acquired. This was incorrectly taken to other creditors.	2,039,562	-	-	-

Impact on long term investments

	GROUP 31 Dec 2011	1 Jan 2011	COMPANY 31 Dec 2011	1 Jan 2011
A dividend received from an associate was incorrectly added to investments in associates rather than deducted.	(8,640)	-	-	-

## 34.4 Notes to the reconciliation of Nigerian GAAP to IFRS Contd.

	GROUP 31 Dec 2011	1 Jan 2011	COMPANY 31 Dec 2011	1 Jan 2011
<u>Impact on trade and other creditors</u>				
As part of the sale of shares in UAC Foods Limited to Tiger Brands, an amount should have been raised for the non-controlling interest acquired. This was incorrectly taken to other creditors.	(2,039,562)	-	-	-
A dividend received from an associate was incorrectly added to investments in associates rather than deducted.	(8,640)	-	-	-
This was incorrectly taken to other creditors.				
A deferred tax balance had been incorrectly classified here	-	235,149		
	(2,048,202)	235,149	-	-
<u>Impact on deferred tax</u>				
A deferred tax balance had been incorrectly classified to other payables	-	(235,149)		
<u>Impact on profit after tax</u>				
The equity profits of the associate were shown pre-tax instead of net of tax.				
Share of profit or loss of associate	(431)		-	
Tax expense	431		-	
	-		-	

## (m) Transfer of divisions to subsidiaries

During 2011 the UAC Foods and UAC Dairies divisions were transferred to a subsidiary (UAC Foods Limited). They were transferred as a common control transaction using the predecessor method of accounting.

The investment in subsidiaries represents the values of net asset values at the transferred dates.

These have been adjusted to reflect the changes in net asset value as a result of the above IFRS adjustments.

Explanation of material adjustments to the consolidated cash flow statements

The transition from Nigerian GAAP to IFRS had no significant impact on cash flows generated by the Group except that, under IFRS, bank overdrafts are included in cash and cash equivalents as they are payable on demand.

# Group Value Added Statement

# Group Five-Year Financial Summary

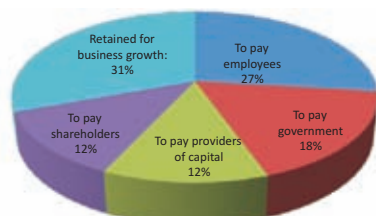


For the year ended 31 December 2012

	Group				Company			
	2012		2011		2012		2011	
	=N=Million	%	=N=Million	%	=N=Million	%	=N=Million	%
Turnover	69,632		59,638		715		633	
Share of associated companies profits	-		13		-		-	
Interest received & other income	1,923		2,713		4,388		10,196	
<b>Cost of materials and services:</b>								
Imported	(273)		(440)		-		-	
Local	(50,697)		(42,668)		(924)		(2,792)	
<b>Value Added</b>	<b>20,585</b>	<b>100</b>	<b>19,256</b>	<b>100</b>	<b>4,179</b>	<b>100</b>	<b>8,038</b>	<b>100</b>
<b>Applied as follows:</b>								
<b>To pay employees</b>								
Salaries, wages and other benefits	5,537	27	7,254	38	532	13	786	10
<b>To pay government</b>								
Taxes	3,642	18	3,587	19	671	20	1,203	15
<b>To pay providers of capital</b>								
Interest charges	2,532	12	1,687	9	31	1	85	1
<b>To pay shareholders</b>								
Dividend	2,561	12	2,401	12	2,561	1	2,401	30
<b>Retained for replacement of assets and business growth:</b>								
Depreciation	1,770	9	2,837	15	115	3	90	1
Non-controlling interest	2,992	15	2,932	15	-	-	-	-
Future Investment	1,550	8	(1,442)	(7)	269	57	3,473	43
	<b>20,585</b>	<b>100</b>	<b>19,256</b>	<b>100</b>	<b>4,179</b>	<b>100</b>	<b>8,038</b>	<b>100</b>

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 creations of more wealth.

Value Added Chart



## Group five-year financial summary

	NGAAP		IFRS		
Naira millions	2008	2009	2010	2011	2012
<b>Funds employed</b>					
Equity attributable to equity holders of the Company	41,157	37,487	29,227	35,316	37,026
Non-controlling interest	6,728	7,477	18,268	21,749	23,575
Creditors due after one year	7,561	9,382	26,522	23,422	18,470
Provisions	1,941	2,243	38	37	35
	<b>57,387</b>	<b>56,589</b>	<b>74,054</b>	<b>80,524</b>	<b>79,106</b>
<b>Employment of funds</b>					
Property, plant and equipment	70,575	54,472	56,300	60,976	68,954
Long term investments	2,074	2,204	1,048	157	307
Net current (liabilities)/assets	(15,262)	(87)	16,706	19,392	9,845
	<b>57,387</b>	<b>56,590</b>	<b>74,054</b>	<b>80,524</b>	<b>79,106</b>
<b>Capital expenditure</b>	<b>8,154</b>	<b>12,044</b>	<b>8,072</b>	<b>11,861</b>	<b>14,886</b>
<b>Depreciation</b>	<b>2,042</b>	<b>2,196</b>	<b>2,797</b>	<b>2,837</b>	<b>1,770</b>
<b>Results</b>	NGAAP		IFRS		
Turnover	53,652	56,605	52,314	59,638	69,632
Profit from operations	8,527	7,568	7,038	7,715	11,526
Share of profit of associated companies	11	12	17	13	-
Taxation	(2,005)	(1,899)	(1,643)	(3,587)	(3,642)
Profit after tax and non-controlling interest	4,241	4,019	3,191	959	4,111
Dividend - proposed	(2,561)	(1,665)	(1,761)	(2,401)	(2,561)
Profit of the year retained	1,680	2,354	1,430	(1,442)	1,550
Share prices: High (kobo)	6,160	4,196	5,848	4,250	3,450
Low (kobo)	2,801	2,246	3,616	2,870	2,800
Market capitalisation (period-end)	44,308	47,061	60,043	47,541	67,230
Dividend per share (kobo)	200	130	110	150	160
Dividend per share (kobo) - adjusted	160	104	110	150	160
Earnings per share (kobo)	265	314	199	37	257
Earnings per share (kobo) - adjusted	212	251	199	37	257
Net assets per share (kobo)	3,739	3,511	2,848	3,565	3,786
Dividend cover (times)	1.3	2.4	1.8	0.2	1.6

## Substantial Shareholdings

According to the register of members, one shareholder of the company held more than 5% of the issued capital of the company as at 31st December: Stanbic IBTC Nig. Ltd. Holdings: 356,047,444 units. Percentage Holding: 22.24%

Range	No Of Holders	Percent	Unit	Percent
1 -	500	36,541	20	10,456,733
501 -	1,000	23,212	12	16,662,447
1,001 -	5,000	108,248	58	239,861,867
5,001 -	50,000	16,382	9	183,096,227
50,001 -	100,000	653	0	45,320,933
100,001 -	500,000	535	0	109,971,867
500,001 -	1,000,000	94	0	69,524,390
1,000,001 -	10,000,000	98	0	281,868,106
10,000,001 -	1,000,000,000	18	0	643,957,752
<b>Grand Total</b>	<b>185,781</b>	<b>100</b>	<b>1,600,720,322</b>	<b>100</b>

## Movement in share capital

Date	Authorised capital		Issued and fully paid capital		Consideration
	From	To	From	To	
	=N='000	=N='000	=N='000	=N='000	
30/09/1976	26,000	40,000	23,760	39,600	Scrip Issue (2 for 3)
23/09/1977	40,000	80,000	39,600	79,200	Scrip Issue (1 for 1)
30/09/1978	80,000	100,000	79,200	99,000	Scrip Issue (1 for 4)
30/09/1990	100,000	148,500	99,000	148,500	Scrip Issue (1 for 2)
11/04/1990	148,500	163,350	148,500	163,350	Scrip Issue (1 for 10)
16/09/1993	163,350	204,188	163,350	204,188	Scrip Issue (1 for 4)
05/04/1994	204,188	204,188	204,188	161,308	Capital Reduction
15/02/1995	204,188	204,188	161,308	181,727	Offer for subscription
03/07/1996	204,188	300,000	181,727	227,159	Scrip Issue (1 for 4)
09/08/2000	300,000	500,000	227,159	454,318	Scrip Issue (1 for 1)
27/10/2004	500,000	1,000,000	454,318	640,288	Right Issue (1 for 4)
6/16/2010	1,000,000	1,000,000	640,288	800,360	Scrip Issue (1 for 4)

## Five - year dividend history:

Dividends declared during the last five years were as follows: -

Date declared	Total amount =N='000	Dividend per share	% of Company Profit after taxation
31st Dec, 2007 & 23rd May, 2008	2,721,225	170.00k	79
20th May, 2009	3,201,441	200.00k	99
16th June, 2010	2,080,936	130.00k	110
15th June 2011	1,760,792	110.00k	110
21st June, 2012	2,401,080	1.50K	43



Since becoming a public company in 1974, the company has declared dividends and issued a number of scrip shares.

Currently, our unclaimed dividend accounts indicate that some dividend warrants have not been presented to the bank for payment while others have been returned to the Registrars as unclaimed because the addresses could not be traced.

This notice is to request all affected shareholders to contact:

The Registrar  
UAC Registrars Limited  
UAC House  
1 - 5 Odunlami Street  
Lagos.  
Tel. 01- 8730080-6  
Email: uacreg@uacplc.com, info@uacnplc.com

## The Dividends are set out below:

Dividends	Month	Date declared Day	Year	Amount unclaimed	
				2012 N'000	2011 N'000
36	May	22	2002	15,927	76,427
37	June	20	2003	50,969	40,684
38	June	18	2004	82,615	81,737
39	May	31	2005	138,615	144,649
40	June	16	2006	164,071	165,945
41	June	22	2007	198,414	193,968
42	December	3	2007	92,905	18,374
43	June	4	2008	240,826	294,961
44	June	23	2009	404,996	425,528
45	June	23	2010	266,122	268,504
46	June	15	2011	349,881	



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## IFRS TRAINING FOR MEMBERS OF AUDIT COMMITTEES IN UACN GROUP HELD AT CAP PLC 2 ADENIJI JONES-IKEJA, LAGOS ON 15TH JANUARY, 2013

STANDING L-R: SAM YIOLOKUNUPDC, MR J. ANOSIKEHUPDC, MRS YINKA ABEGUNDE(UACN AUDIT),  
ALHAI GBADEBO OLATOKUNBO (UPDC), MR A.A. BELLO (UACN), MR M. AKINLAD (UACN), MRS A. OGUNFIDODO(CAP),  
PRINCE .M.M. BASSEY(CAP), MR OVIE ITIE(DELLOTTE), MR J. SHITTU(IFRS CO-ORDINATOR), MR JIDE ONABAJO(DELLOTTE),  
STANDING BACK L-R: MR S.O. AIGBAVBOA (CAP), MR MUYIWA ADEBAYO(DELLOTTE), MR O. AGBAJE(CAP),  
MR O. FAYOMBO(UACN), MR K.N. NNABIKI(UACN), MR ODUWARE UWADIAE(DELLOTTE), CDR V.O. LASEINDE(RTD)(CAP),  
MRS N. TAIWO(UACN FINANCE), MRS A.O. OLAJE(CAP), MR G.A. SAMUEL(COMPANY SECRETARY)



# Proxy Form

## UAC OF NIGERIA PLC

Annual General Meeting to be held at 10.00 a.m. on Wednesday 26<sup>th</sup> June, 2013 at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos State.

I/We

being a member/members of UAC OF NIGERIA PLC do hereby appoint

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on our behalf at the General Meeting of the Company to be held on Wednesday 26<sup>th</sup> June, 2013 and at every adjournment thereof

Signature of member/proxy .....

Dated this ..... day of ..... 2013.

Shareholder's signature.....  
NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to attend by proxy. The above form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked\*) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please sign the above proxy form and post it so as to reach the address shown over leaf not later than 5.00 p.m. on Monday 24<sup>th</sup> June, 2013. If executed by a corporation, the proxy form should be sealed with the Common Seal or signed.
4. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance to the Meeting.
5. The proxy form should not be completed and sent to the address if the member will be attending the meeting in person.

### IF YOU ARE UNABLE TO ATTEND, PLEASE

- (a) Write the name of your proxy (if any) where marked.\*
- (b) Ensure that the form is signed by you and stamped with COMMISSIONER OF STAMP DUTIES.
- (c) Tear the proxy form along the perforated lines and post so as to reach the address shown overleaf not later than 48 hours before the time of holding the meeting.

### ADMISSION FORM

UAC OF NIGERIA PLC

Annual General Meeting Admission Card

Please admit

to the Annual General Meeting of UAC OF NIGERIA PLC which will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos State on Wednesday 26<sup>th</sup> June, 2013 at 10.00 a.m.

### IMPORTANT NOTICE:

- 1.This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- 2.Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting

GODWIN A SAMUEL, ESQ

COMPANY SECRETARY/LEGAL ADVISER

UAC OF NIGERIA PLC

Annual General Meeting Admission Card

Name and Address of Shareholder

## RESOLUTIONS

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS		
To declare dividend		
To re-elect Mrs A S Ajumogobia as a Director		
To elect Dr Umaru Alka as a Director		
To elect Mr B O Kasali as a Director		
To authorize the directors to fix Auditor's remunerations		
To elect members of the Audit Committee		
SPECIAL BUSINESS		
To fix remuneration of Directors		
To approve bonus issue of 1 for 5		

Please indicate your wish by placing 'X' in the appropriate square  
Put the 'X' beside the motion before meeting and not any of the others

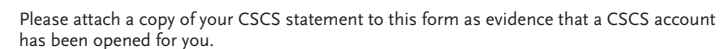
Date: .....



UAC  
2012 annual  
long service  
awards, Golden  
Tulip, Festac,  
Lagos



If undelivered please return to  
UAC REGISTRARS LIMITED  
2ND FLOOR, UAC HOUSE  
1-5 ODUNLAMI STREET  
P.O.BOX 2183  
LAGOS

[illegible]

