



The Meat & Confectionery Co.



UTC NIGERIA PLC

Since 1932

2010

Annual Report
& Accounts



RESULTS AT A GLANCE

	2010	2009
	N'000	N'000
TURNOVER	2,823,497	2,574,139
PROFIT AFTER TAXATION	79,802	74,768
EARNINGS PER SHARE	6K	6K

VISION:

To entrench and extend the UTC brand through products that offer Quality, Convenience, Value for money.

MISSION:

To be the preferred food processing Company in West Africa by 2014.

WHO WE ARE

We are a leading food company with over 70 years experience. we are innovative and always developing new products.

WHAT WE DO

We produce confectionery and meat products.

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BOARD OF DIRECTORS AND CORPORATE INFORMATION

DIRECTORS	Apostle H. I. A. Alile, OFR	Chairman
	Folusho Olaniyan	Managing Director/CEO
	Bode Adediji	
	Engr. 'Bayo Adeola	
	Victor G. Osibodu, MFR	
	Fola Adeola, OFR	
	Deji Alli	
SECRETARY	Olu Awolowo	
REGISTERED OFFICE	27/29, Creek Road, Apapa, Lagos Tel: 8765611, 8765419	
WEBSITE	www.utcnig.com	
REGISTRARS & TRANSFER OFFICE	UBA Registrars Limited Raymond House 3rd & 4th Floors 97/105, Broad Street, P. O. Box 6492 Lagos.	
AUDITORS	Akintola Williams Deloitte (Chartered Accountants) 235, Ikorodu Road Lagos	
PRINCIPAL BANKERS	Oceanic Bank International Plc Guaranty Trust Bank Plc Zenith Bank Plc Sterling Bank Plc Equitorial Trust Bank Ecobank of Nigeria Plc	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting of UTC Nigeria Plc will be held at the Cinema Hall of the Ogun State Council for Arts & Culture (Cultural Centre), Abeokuta, Ogun State on Tuesday on 16th August, 2011 at 12 noon for the following purposes:

Ordinary Business

- 1 To receive the report of the Director, the Audited Financial Statements for the year ended 31st December 2010, the report of the Auditors and the report of the Audit Committee thereon.
2. To re-elect Directors (Pursuant to the provision of S.256 of the Companies and Allied Matters Act, Cap.C20 Laws of the Federation of Nigeria (LFN) 2004, Special notice is hereby given that Apostle Hayford I. Alile who is to be re-elected a Director in this meeting is above 70 years of age).
3. To authorize the Directors to fix the remuneration of the Auditor
4. To elect members of the Audit Committee.

Nomination of Audit Committee

In accordance with Section 369 (5) of the Companies and Allied Matters Act Cap C20 2004, Laws of the Federation of Nigeria, any member may nominate a shareholder as member of the Audit Committee by giving in writing such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting.

Closure of Register and Transfer Book

The Register of Members and Transfer Books will be closed on 25th July 2011 to enable the Registrar to review and update the register.

Proxies

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. All proxies bearing the appropriate stamp duty should be deposited at the office of Registrars to the Company, UBA Registrars Limited, Raymond Houses 3rd & 4th Floors, 91/105, Broad street, P. O. Box 6492, Lagos. not less than 48 hours before the time for holding the meeting. A proxy need not be a member of the Company, A form of proxy is hereby enclosed for the purpose of the meeting.

|



Olu Awolowo Esq.

Company Secretary

Dated this 11th day of July 2010.

Registered Office: 27/29, creek Road, Apapa, Lagos.



CHAIRMAN'S STATEMENT

Apostle Hayford I. Alile, OFR
Chairman

Distinguished Shareholders, Chiefs, Ladies and Gentlemen,

I welcome you warmly to the Annual General Meeting of your company. I am also pleased to present to you the Annual Financial Statements for the year ended 31st December, 2010 and brief you on the performance and the way forward for the company.

THE OPERATING ENVIRONMENT

The Nigerian business environment in 2010 was characterized by challenges mostly resulting from effects of global recession. This same period has also witnessed an increase in inflation (now at above 13%) particularly in key commodity prices (e.g., diesel, etc) which impacts negatively, the cost at which we are doing business. With monetary growth still subdued, higher food inflation is up from 10.3% in January to 10.7% year on year in April. Notwithstanding, the environment recorded a marginal improvement in some sectors of the economy.

The economic shock triggered off by banking crisis in 2009 which made it difficult for the real sector to access credit from the banks is not yet over. However, the federal government has continued to intervene through the bank of industry for companies in Nigeria to have access to medium term credit to revive their operations. UTC Nigeria PLC has recently benefited from this initiative. The effect will reflect in our 2011 operations and accounts.

I wish to bring to your attention that, our re-packaged Chopsy sausage beef roll and cakes have continued to push upwards our share in

the sweet snacks and wrapped sausage market. The turnover of the repackaged products in the year under review has also increased rapidly. Subsequently, our visibility in the market through these packaged products has brought the UTC brand name back fully to the minds of Nigerian consumers.

However, the previous infrastructural challenges faced by the business environment in Nigeria like poor electricity supply, fuel, water, bad roads still persisted in 2010 like in the previous year. Inflation negatively affected the cost of raw materials and pricing of consumer products.

Despite these challenges in 2010, our company's Turnover and net profit both increased over the previous year by 10%. However, the operating profit reduced by 18% from ₦157 million in 2009 to ₦129 million in 2010. This reduction is as a result of the unsettled post dissolution issues of the group structure that have lapsed after the five years statutory grace period. These cessation differences were netted off in our 2010 accounts; and this has inadvertently had a negative impact on both our distribution and administrative expenses and ultimately operating profit. After netting off the write back of provisions no longer required on tax against provisions made, we still

closed with a net profit of N79.8 million as against N74 million in 2009. I wish to assure our investors and shareholders that we are on the right course and that, the food industry which we intend to dominate, is viable and will stand the test of time. An adequate return on investment is sure in the shortest possible time.

I am pleased to report that we achieved moderate growth in the year against the background of the difficult operating environment coupled with increases in the prices of major raw materials, and other production inputs as well as high interest rates on borrowed funds. We ended the financial year on a fairly positive note with our fundamentals remaining strong and the tempo of our business moving in the right direction.

MARKET OVERVIEW

The Food business in Nigeria is still growing and there are good prospects for its continued growth. UTC is very innovative and has recently opened the 1st of its new meat and confectionery outlet. We are expanding our retail operation outlets in order to expand our market reach. Competition is increasing and to maintain the growth trend, the company is continuously developing categories of products that will meet its customers' requirements.

FINANCIAL PERFORMANCE

Turnover/Operating Profit

Turnover rose by 10% to close at N2.823 billion. Operating profit before taxation dropped by 18% from N157, 056 to N129, 125. The interest expenses in 2010 account is huge, not only because of legacy issues cost charged to 2011 Account but also developmental loans used to implement phase 1 of the company's strategic plan and raw materials funding. The drive for securing these loans derives from ensuring generation crossover of the UTC brand which could easily become extinct in the new generation. The loans provided a small window to ignite the UTC brand via expansion. Our comfort lies in the fresh funds to be injected from assets disposal, which will make interest elements insignificant in 2011 accounts. Our efforts to restructure our loans through Bank of Industry (BOI) were not impactful in 2010 due to the late execution of the restructuring contract. This was effected only in November 2010. These figures have been audited by our independent external Auditors, Akintola Williams Deloitte. At the close of the audit exercise N79.8 million profit after tax was recorded against N74 million in 2009, with earnings per share remaining at 6 kobo in 2010.

OUR PEOPLE

We are convinced we have a strong committed management team; highly driven and well motivated, hence our continued success in the implementation of our growth strategy. Worthy of note is the fact that since 2007 when we declared operating profit for the first time in about a decade, this management has sustained profitability and has improved on all profitability ratios over the past three years; despite the inherent legacy issues that alleviate the impact of improved performance. In addition, the management has come up with a new and improved retail concept that will revive the old UTC fame across all ages in Nigeria.

The company painstakingly recruits and develops skills at all levels on a continuous basis in order to match the challenges of our machines, systems and products. Performance driven culture engendered by the new performance based assessment system is being established in all areas of the company. The company is now able to access, review and evaluate performance in a more objective manner. What we have seen over the past 4 years is the UTC foods division retained from the old group now evolving into strategic business unit viz a viz retail, confectionery manufacturing, and meat processing, to eventually become a giant food group in Nigeria.

I will like to say a very big and special thank you to Management and staff of all cadres for the financial result and steady progress achieved in the year under review despite the attendance challenges.

CORPORATE SOCIAL RESPONSIBILITY

Our company's commitment towards corporate social responsibility was further strengthened during the year. The main objective is caring for the immediate community while we strive in the area of education, health services, social welfare and environmental challenges to ameliorate the welfare of people and environs in our business community.

We would continue to play our part in the society as a responsible corporate citizen by engaging with the larger society to contribute positively to the improved social welfare of our operating environment.

ENVIRONMENTAL & HEALTH SAFETY PERFORMANCE

UTC has a good health and environmental risk management system. The following risk management systems are in place for the company and the staff:

- Fire fighting equipment
- Uniforms and protective mask for factory workers.
- Good waste disposal system in partnership with Lagos State Waste Management Agency (LAWMA).
- 24 hours functional clinic/ambulance service within the company premises.
- Good retainer ship hospitals for staff and their immediate family.
- Participation in National Health Insurance Scheme for staff.
- Comprehensive group life insurance covers for all categories of staff.

We hope to embark on more community beneficial projects in 2011 while sustaining the current projects. UTC remains one of the most socially responsible organizations in the Nigerian food Industry.

OUR STRATEGIC PLAN

Management has adopted the strategy of decentralizing manufacturing operations to enable faster "time to market" for the company's products which are mostly perishables with Limited shelf life. To promote efficiency of the decentralized operations, we will install an IT point of sale package that will give real time data on all aspect of our operations in the value chain; from inventory to production and ultimately delivery.

Additional equipment for the production of savory snacks has been fully paid for and installed; this production line has commenced operation since October 2010. And our output on chopsy has tripled.

The negative impact of global financial meltdown which started since last quarter of 2008 on the Capital Market is still very much around. I am happy to inform you that the disposal of the Creek road property has materialized by end of second quarter of 2011 year. This will enable us fund the relocation of the company to a more conducive business environment, addressed the working capital deficiency of the company, and correct negative cashflows. I am pleased to inform you that with half year result of 2011 there are indication that our legacy accumulated losses will be written

off and that our negative revenue reserve will become positive by 2011 year end. This trend should provide a platform for declaring dividend to you our shareholders at the next Annual General Meeting, to review 2011 account.

Approval for our application in respect of the rights issue has been given by SEC; however the situation in the capital market may not be favorable for us to get something substantial out of it. We are however postponing the exercise to a more favorable period.

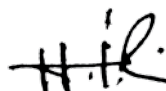
On a good note, our policy on cash and carry basis is very much in force.

BOARD OF DIRECTORS

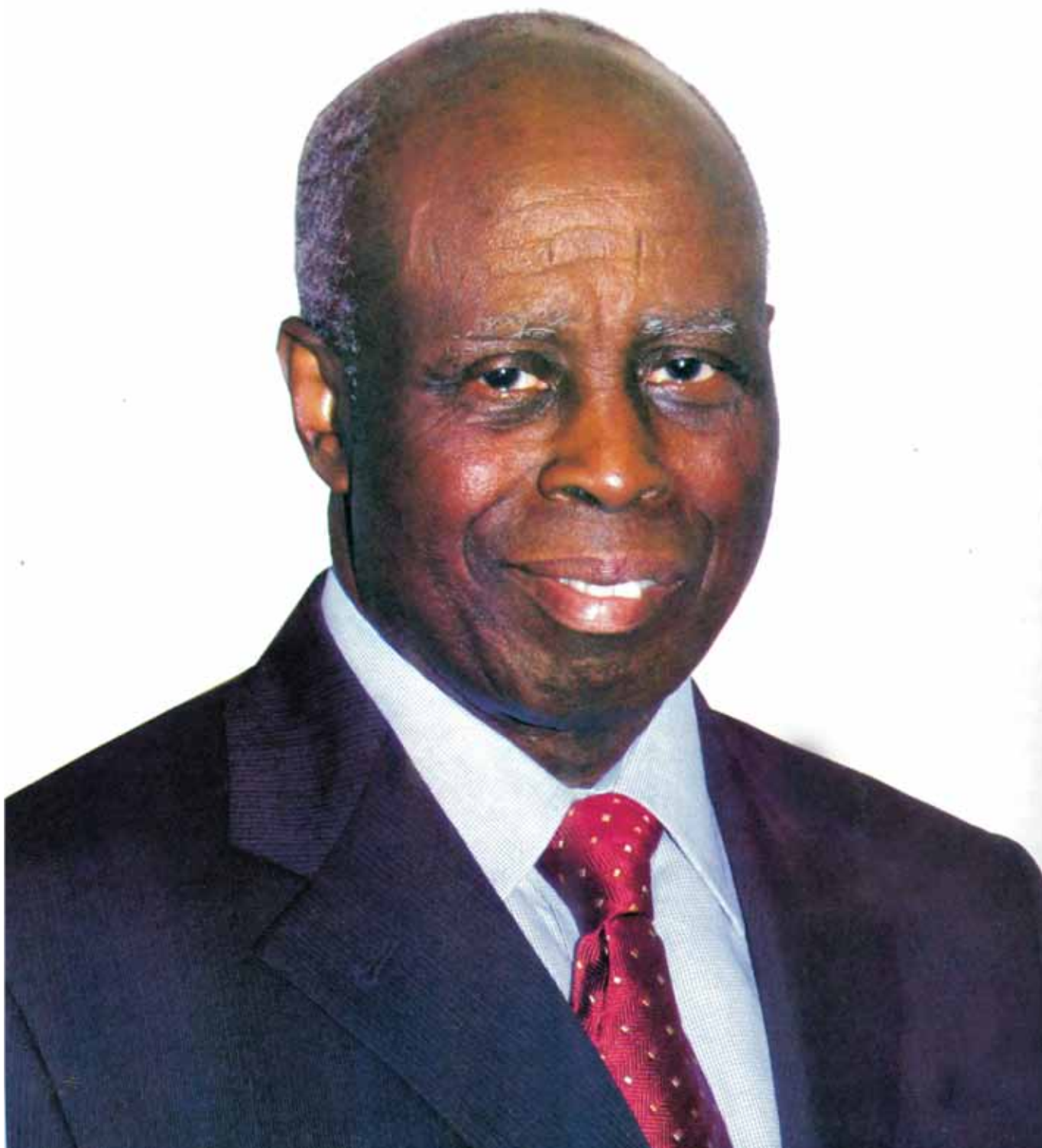
May I use this opportunity to openly thank the members of the Board, first, for their efforts in exploring all possible avenues to secure funds to grow the business, secondly, for giving their unalloyed support to management of UTC to achieve current positive results, in addition to the results of 2010, and the positive result for the first half year 2011 and the strategic plan for 2011 onwards, I am convinced that the future of our company and business prospects in 2011 and beyond is brighter than ever.

APPRECIATION

I would like to thank, on behalf of my colleagues on the Board, all our numerous customers for their support over the years. Our immense thanks to all the shareholders for your support and perseverance and it is our hope that our smiles will be more pronounced at the 2011 Annual General Meeting. The stock market has been anticipating our increasing value. I wish to thank the management and staff for their dedication and belief in the turn around. I sincerely thank all of you for your commitment and contributions towards the achievement of the UTC vision. Finally, last year I celebrated my 70th birthday and in line with the company and allied matter act of 1990(section 256), if the shareholders so desire, I wish a special resolution be passed authorising me to continue in office as the chairman of our great company.



Apostle Hayford Alile OFR
Lagos



Apostle Hayford I. Alile, OFR

Chairman

THE **BOARD** OF DIRECTORS



Afolabi Adeola OFR
Director



Folusho Olaniyan
Managing Director/CEO



Adebayo Adeola
Director



Deji Alli
Director



Victor Osibodu MFR
Director



Bode Adediji
Director

REPORT OF THE DIRECTORS

For the Year Ended 31 December 2010

The Directors have pleasure in submitting their report and the Audited Financial Statements of the Company for the year ended 31st December 2010.

1	RESULT	N'000
	Turnover	2,823,497
	Gross profit	1,011,594
	Operating profit	129,125
	(Loss)/Profit on ordinary activities before taxation	(5,201)
	Profit for the year transferred to revenue reserve	79,802
	Shareholders' Funds	1,340,064
	Earnings per share (Kobo)	6k

2 LEGAL FORM

UTC started business in Nigeria in 1932. It became a private limited liability company on 8th August, 1969 and a public company on 26th November 1971. It has since been quoted on the Nigeria Stock Exchange.

3 PRINCIPAL ACTIVITIES

The principal activities of the company are food processing, manufacturing of sausages, meat products, fast foods, bakery, confectionery and services connected therewith.

4 CORPORATE GOVERNANCE

The Company is committed to the principles of Corporate Governance and code of best practices. At UTC, we are committed to full disclosure and transparency in providing information to all stakeholders. As a company quoted on the Nigerian Stock Exchange, UTC is mindful of the obligations to remain committed to safeguarding and improving shareholders' value through transparent and best practices fashioned along local regulatory standards as well as international best practices. The corporate governance practice of the company are designed to ensure accountability of the Board and management to all shareholders.

The business of the company is driven by the Board of Directors. The Board of Directors is made up of 7 Directors comprising of the Managing Director and six non-executive directors.

The Board is responsible for controlling and managing the strategic business of the company and constantly reviews and presents a balanced and comprehensive assessment of the company's performance and future prospects. It may exercise all such powers of the company as are not by law or the Articles of Association of the company, required to be exercised by the company in General Meeting.

The Board functions either as a full Board or through any of its committees which are constituted as follows:

Committees	Membership
1. Investment and Strategy Committee	Mr. Fola Adeola Mr. Deji Alli Mr. V.G. Osibodu Mrs. Folusho Olaniyan
2. Committee on Asset Sales	Mr. Bode Adediji Mrs. Folusho Olaniyan Engr. K. A. Adeola Mr. Deji Alli
3. Audit Committee	Mr. Bode Adediji Engr. K. A. Adeola Mr. Moses Igbrude Chief Kayode Odufuwa Mr. Deji Alli Dr. A. T. Oniwinde
4. Committee on Staff Matters	Apostle H. I. Alile Mrs. Folusho Olaniyan Mr. Bode Adediji

Committees		Membership
5.	Finance and General Purpose Committee	Apostle H. I. Alile Mrs. Folusho Olaniyan Mr. Bode Adediji Mr. V.G. Osibodu
6.	Risk Management Committee	Mr. Bode Adediji Engr. K. A. Adeola Mr. Deji Alli Mrs. Folusho Olaniyan

ATTENDANCE OF BOARD MEETINGS

The table below shows the frequency of meetings of the Board of Directors and members attendance for the financial year ended 31st December, 2010.

NAMES	MEET- ING DATE FEB. 9TH, 2010	MEET- ING DATE MARCH 23RD 2010	MEET- ING DATE JUNE 17TH, 2010	MEET- ING DATE JULY 22ND 2010	MEETING DATE NOV. 18TH 2010	TOTAL ATTEND- ANCE
Apostle HAYFORD ALILE (OFR)	➤	➤	➤	➤	➤	5
MR. FOLA ADEOLA (OFR)	-	-	➤	-	➤	2
MR. DEJI ALLI	➤	-	-	➤	➤	3
MR. GBOLADE OSIBODU (MFR)	➤	-	-	-	➤	2
MR. BODE ADEDIJI	➤	➤	➤	➤	➤	5
ENGR. BAYO ADEOLA	➤	➤	-	➤	-	3
MRS. FOLUSHO OLANIYAN	➤	➤	➤	➤	➤	5

KEY:

- PRESENT/ATTENDED THE BOARD MEETING
- ABSENT AT BOARD MEETING

AUDIT COMMITTEE

The Audit Committee is a statutory committee. The primary role of the committee is to ensure the integrity of the audit process and financial reporting and maintain a sound risk management and internal control system as stipulated in section 359 of the Companies and Allied Matters Act Cap C20 LFN 2004. Its major functions include the approval of the annual audit plan of the internal auditor, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations. The committee also reviews the company's Annual and interim financial statements.

The Audit Committee consists of three non-executive directors and three ordinary shareholders, one of whom is the chairman of the committee. The internal and external auditors have unrestricted access to the committee which ensures that their independence is in no way impaired.

Meetings are attended by the internal and external auditors, the head of finance and on invitation appropriate members of members of management. The audit committee met four times during the 2010 financial year and the attendance record of members is shown below.

NAME	STATUS	DESIGNATION	ATTENDANCE
Dr. A. T. Oniwinde	Shareholders' representative	Chairman	4
Chief Kayode Odufuwa	Shareholders' representative	Member	4
Mr. Igbrude Moses	Shareholders' representative	Member	4
Engr. Bayo Adeola	Non Executive Director	Member	3
Mr. Deji Alli	Non Executive Director	Member	3
Mr. Bode Adediji	Non Executive Director	Member	2

SHAREHOLDERS

The company continues to place significant premium on ensuring the giving of value to the shareholders. The General meeting of the company is the highest decision making body of the company. The company General meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the company's financial results and other related issues. The Annual General meetings are attended by representatives of regulators such as the Securities and Exchange Commission, the Nigerian Stock Exchange, Corporate Affairs Commission and the representatives of shareholders associations.

Also, the board places considerable importance on effective communication with shareholders on developments in the company. The company meets periodically, with the representatives of the shareholder's Association. In addition, quarterly, half yearly and annual financial results are published in leading newspapers amongst other measures.

5 DIRECTORS

- (a) The names of the present Directors are listed on Pages 8 and 9
- (b) In accordance with the Articles of Association of the Company, Apostle H. I. Alile and Mr. Deji Alli retire by rotation, and being eligible offer themselves for re-election. Pursuant to section 256 of the Companies and Allied Matters Act Cap C20 LFN 2004, Apostle H. I. Alile, has attained the age of 70, and having complied with the aforementioned provision and being eligible hereby offer himself for re-election.
- (c) Director's Interest:
The interests of the Directors in the ordinary shares of the company are as follows:

	Ordinary shares of 50Kobo each as at		
	31/12/2010		31/12/2009
	Direct	Indirect	Direct
Apostle H. I. Alile, OFR	495,000	-	495,000
Tajudeen Afolabi Adeola	84,137,871	-	84,137,871
Bode Adediji	55,000	-	55,000
Foluso Olaniyan	260,700	-	260,700

6 DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit and loss for that year and comply with the provisions of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004.

In doing so, they ensure that:

- Proper accounting records are maintained.
- Internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities.
- Applicable accounting standards are followed.
- Judgments and estimates made are reasonable and prudent: and
- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

7 ANALYSIS OF SHAREHOLDING

RANGE		NO. OF HOLDERS	HOLDERS %	HOLDERS CUM	UNITS	UNITS%	UNITS CUM
1	1,000	39,053	62.63	39,053	13,482,597	1.09	13,482,597
1,001	10,000	17,827	28.59	56,880	52,566,757	4.26	66,049,354
10,001	50,000	4,089	6.56	60,969	83,846,848	6.80	149,896,202
50,001	100,000	705	1.13	61,674	48,211,264	3.91	198,107,466
100,0001	500,000	587	0.94	62,261	112,296,401	9.10	310,403,867
1,000,0001	1,000,000	49	0.08	62,310	34,084,851	2.76	344,488,718
	99,999,999,999	47	0.08	62,367	888,886,282	72.07	1,233,375,000
		62,357	100.00		1,233,375,000	100.00	

8 UTC SHARE CAPITAL HISTORY

Date	Ordinary Share		Issued & fully paid up		Consideration
	Increase =N=	Cumulative =N=	Increase =N=	Cumulative =N=	=N=
August 1969	2,000,000	2,000,000	2,000,000	2,000,000	cash
October 1970	4,000,000	6,000,000	4,000,000	6,000,000	Scrip
February 1976	6,000,000	12,000,000	1,500,000	7,500,000	Scrip 1:4
March 1976		12,000,000	2,500,000	10,000,000	Cash
October 1976	8,000,000	20,000,000	6,000,000	16,000,000	Scrip 3:5
April 1977	10,000,000	30,000,000		16,000,000	
June 1977		30,000,000	7,500,000	23,500,000	Cash
November 1978		30,000,000	5,875,000	29,375,000	Cash
November 1981	10,000,000	40,000,000	9,791,667	39,166,667	Scrip 1:3
February 1990	110,000,000	150,000,000	19,583,334	58,750,001	Scrip 1:2
June 1990		150,000,000	29,375,000	88,125,001	Cash
April 1993	50,000,000	200,000,000	22,031,250	110,156,251	Scrip 1:4
1994		200,000,000	30,000,000	140,156,251	Cash
July 2001	500,000,000	700,000,000		140,156,251	Cash
2002		700,000,000	420,468,750	560,625,000	Cash
01/05/2008	300,000,000	1,000,000,000		560,625,000	
May 2008		1,000,000,000	56,062,500	616,687,500	Bonus 1:10

9 FIXED ASSETS

Movements in fixed assets during the year are shown in note 8 on 9. In the opinion of Directors, the market value of the company's properties is not less than the value shown in the financial statements.

10 RESEARCH AND DEVELOPMENT

The Company in its determination to maintain its status as one of the best companies in the foods and beverages sector, continue to encourage research of new products aimed at consistently improving the company's position.

11 SUPPLIERS

Significant supplies are procured locally while overseas purchases are imported directly.

12 DONATIONS

Our products amounting to N1,361,915.08 were donated as gifts to the followings:

- | | | |
|----|---|-------------|
| 1. | Regina Mundi Elderly Home, Mushin | N315,019.91 |
| 2. | Kirikiri Maximum Prison | N619,087.00 |
| 3. | Treasure of Love Missionary Home of Mothers | N427,808.17 |

13 HUMAN RESOURCES MANAGEMENT

(i) Employment of Disabled Employees.

The Company maintains its policy on non-discrimination in considering applications for employment including those from disabled persons. However, as at 31st December 2010, there was no disabled person in the employment of the company.

(ii) Employees' Involvement and Training

The Company is fully committed to keeping its employees fully informed as much as possible regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. There are regular discussions with the various house unions and joint consultative committees. Management,

professional and technical expertise are the Company's major assets. The Company believes that the continuous development and empowerment of its human capital will to a large extent determine the ability to sustain a competitive advantage over a long period of time. Consequently, Management sees investment in its employees as a major responsibility and has therefore evolved a training and development programme through various in-house and external trainings provided, and essentially creates an enabling environment for continuous learning and developmental opportunities for its employees.

(iii) Health, Safety At Work And Welfare of Employees

The Company maintains a set of high standard health and safety rules in protecting the health of the employees and ensuring their safety and welfare at work. There are staff clinics manned by competent medical personnel. These facilities are also supplemented by medical policy for spouse and children of the staff. The Company ensures that the

working environment is conducive and employees keep to the safety rules. Safety gloves, goggles and safety shoes are provided for production staff and employees are encouraged to use them depending on the nature of their jobs and the likely hazards in their work area.

Staff and Employees welfare are of paramount importance to the Company and there are various schemes and policies to attest to this: transport allowances, group personal accident cover, lunch subsidies are some of the welfare schemes in place.

14 RECORD OF DIRECTORS ATTENDANCE

In accordance with section 258 (2) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, the record of the Directors attendance at Directors' meeting during 2010 is available for inspection at the annual general meeting and the details of the attendance for 2010 are as indicated above.

15 AUDITORS

The Auditors, Messrs, Akintola Williams, Deloitte (Chartered Accountants) have indicated their willingness to continue in office

A resolution will be proposed to this effect at the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD



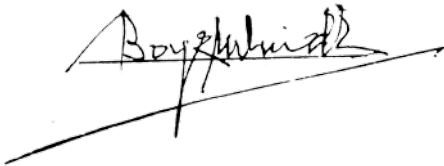
Olu Awolowo Esq.
Company Secretary
11th July, 2011



REPORT OF THE AUDIT COMMITTEE TO THE MEMBER OF UTC NIGERIA PLC

In consalance with section 359 Sub-section 6 of the Companies and Allied Matters Act Cap C 20 LFN 2004, we have reviewed the financial reports of the company for the year ended 31st December, 2010 and our reports run thus:

- (a). The accounting and reporting policies of 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 technical checks are operating well.
- (d). The External Auditor's management control report was satisfactorily dealt with by the Management.



Dr. A. T. Oniwinde
Chairman-Audit Committee
12th June, 2011

MEMBERS

Dr. A. T. Oniwinde (Chairman)
Chief Kayode Odufuwa (Member)
Mr. Moses Igbrude (Member)
Mr. Bode Adediji (Member)
Engr. K.A. Adeola (Member)
Mr. Deji Alli (Member)

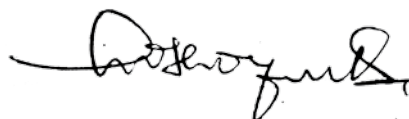
CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to our financial report for the period ended 31st December, 2010 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact, which would make the statement, misleading in the light of the circumstances under which such statement were made;
- (c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material aspects the financial condition and results of operation of the company as of, and for the periods presented in the report.
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls.
 - (ii) have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - (iii) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - (iv) have present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
 - (i) all significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls
- (f) We have identified in the report whether or not there were significant deficiencies and material weaknesses.



Managing Director/CEO



Financial Controller



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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UTC NIGERIA PLC

We have audited the accompanying financial statements of UTC Nigeria Plc, set out on pages 17 to 33 which comprise the balance sheet as at 31 December 2010, income statement, statement of cash flows, statement of value added for the year then ended, summary of the significant accounting policies, financial summary and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, Cap C20, LFN 2004, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 the audit to obtain reasonable assurance about whether 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 auditors' judgment, 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 auditors consider 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UTC Nigeria Plc as at 31 December 2010, and of its financial performance and its cash flows for the year then ended; the company has kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004, and, in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

Emphasis of matter

We draw attention to Note 2 to the financial statements concerning the accumulated losses, working capital deficiency and negative cash flows which are indications of going concern threat. Our opinion is not qualified in respect of these matters.

Akintola Williams Deloitte

Chartered Accountants
Lagos, Nigeria
27 June 2011



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31 December 2010

The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements.

1. Basis of accounting

The financial statements are prepared under the historical cost basis as modified by the inclusion of freehold and long leasehold properties at revaluation.

2. Turnover

Turnover represents the net invoice value of sales to external customers.

3. Debtors

Debtors are stated after making provision for balances considered bad or doubtful of recovery.

4. Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation.

5. Depreciation

Depreciation of fixed assets is calculated at rates estimated to write off the cost/valuation of the assets on a straight line basis over their expected useful lives as follows:

Land and buildings –

With 50 years or over to expiry	-	2% per annum
With less than 50 years to expiry	-	Over the period of lease

	Year of Purchase	Remaining Life
	%	%
Motor vehicles	40	15
Furniture, fittings and equipments	23 1/2	8 1/2
Plant and machineries	28	8

6. Finance Lease

The capital element of assets under finance lease is capitalised along with the company's fixed assets and depreciated at the same rates for assets of that category. The obligation to lessor is shown as part of borrowings, appropriately classified as to maturity.

7. Stocks

Stocks are stated at the lower of cost and net realisable value after making adequate provision for obsolete and damaged items. In the case of goods manufactured by the company, cost includes production overheads. Goods in transit are valued at the invoice price.

Work-in-progress is stated at the lower of cost and net realisable value. Cost in this case consists of direct labour and materials plus appropriate proportion of factory overheads.

8. Foreign currencies

Transactions in foreign currencies are recorded in Naira at appropriate rates of exchange ruling at the time they arise. Assets and liabilities denominated in foreign currencies are converted to Naira at the rates of

exchange ruling at the balance sheet date. Gains or losses arising therefrom are treated in the profit and loss account.

9. Research and development

Expenditure on research and development are charged to the profit and loss account as and when incurred.

10. Taxation

Income tax is provided on taxable profit at the current statutory rate

11. Deferred taxation

Deferred taxation is provided by the liability method which represents taxation at current rates on the differences between the net book values of fixed assets qualifying for capital allowances and their corresponding income tax written down values.

12. Retirement benefits and gratuity scheme

The Company makes provision for retirement benefits in accordance with the Pension Reform Act of 2004. Contribution to the scheme is based on 7.5% of the employee salaries by employee and employer.

The Company also operates a staff gratuity scheme, which is fully provided as a liability in the financial statements. Benefits payable to employees on retirement or resignation are accrued on the service life of the employees concerned based on current salary.

13. Investments

Investments are stated at cost after specific provision for diminution in value.

14. Provisions

Provisions are recognised when the Company has present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

15. Segment information

The Company has two main business segments; Confectioneries and meat products; and derives its entire revenue from the operations in Nigeria. Segment revenue and cost represent operating revenue and expenses respectively that are directly attributable to the business segment.

PROFIT & LOSS ACCOUNTS

For the Year Ended 31 December 2010

		2010	2009
	NOTE	N'000	N'000
Turnover	3	2,823,497	2,574,139
Cost of sales		(1,811,903)	(1,691,074)
Gross profit		1,011,594	883,065
Selling and distribution expenses		(40,585)	(29,778)
Administrative expenses		(867,605)	(725,072)
Other income	4	25,721	28,841
Operating profit		129,125	157,056
Interest expenses and similar charges		(134,326)	(80,282)
(Loss)/profit on ordinary activities before taxation	5	(5,201)	76,774
Taxation	6	85,003	(2,006)
Profit for the year transferred to revenue reserve	19	79,802	74,768
Earnings per share (kobo)		6	6

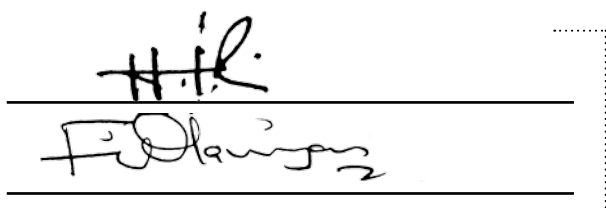
The accounting policies on pages 17 and 18 and other explanatory notes on pages 22 to 33 form part of these financial statements.

BALANCE SHEET

As at 31 December 2010

		2010	2009
	NOTE	N'000	N'000
FIXED ASSETS	7	2,029,269	1,997,431
FINANCE LEASED ASSETS	8	-	11,228
INVESTMENTS	9	45,371	45,371
CURRENT ASSETS			
Stocks	10	168,303	163,444
Trade debtors	11	108,047	116,827
Other debtors and prepayments	12	192,786	354,222
Restricted cash	13	3,691	3,691
Bank and cash balances		47,485	34,679
		520,312	672,863
CREDITORS: Amounts falling due within one year			
Bank overdrafts		435,710	367,906
Term loans	14	99,960	223,651
Trade creditors		342,156	295,357
Other creditors and accruals	15	90,637	53,368
Taxation	6	86	119,860
		968,549	1,060,142
NET CURRENT LIABILITIES		(448,237)	(387,279)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,626,403	1,666,751
CREDITORS: Amounts falling due after one year			
Term loans	14	(197,310)	(154,078)
Deferred taxation	6.1	-	-
PROVISION FOR LIABILITIES AND CHARGES			
Gratuity	16	(91,132)	(86,061)
		1,337,961	1,426,612
CAPITAL AND RESERVES			
Share capital	17	616,688	616,688
Share premium		41,605	41,605
Revaluation reserve	18	1,148,223	1,148,223
Revenue reserve	19	(468,555)	(379,904)
		1,337,961	1,426,612

The financial statements on pages 17 to 33 were approved by the Board of Directors on 27th June 2011, and signed on its behalf by:



Directors

The accounting policies on pages 17 and 18, and other explanatory notes on pages 22 to 33 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2010

		2010	2009
	NOTE	N'000	N'000
Cash flows from operating activities			
Cash received from customers		2,857,998	2,646,452
Cash paid to suppliers and employees		(2,539,856)	(2,468,175)
VAT (net)		(19,179)	(28,740)
Tax paid		-	(2,375)
Net cash provided by operating activities	20	298,963	147,162
Cash flows from investing activities			
Purchase of fixed assets	7	(139,884)	(33,814)
Proceeds from sale of fixed assets		709	2,698
Interest received		-	2,156
Net cash provided by investing activities		(139,175)	(28,960)
Cash flows from financing activities			
Bank loan obtained		-	286,000
Bank loan repaid	14	(80,460)	(378,994)
Finance lease payment		-	(11,154)
Interest paid		(134,326)	(80,282)
Net cash provided by financing activities		(214,786)	(184,430)
Net decrease in cash and cash equivalents		(54,998)	(66,228)
Cash and cash equivalents at 1 January		(333,227)	(266,999)
Cash and cash equivalents at 31 December	21	(388,225)	(333,227)

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2010

1. The Company

1.1 Legal Form

UTC Nigeria Plc commenced business in 1932 in Nigeria. It became a private limited liability company on 8 August 1969 and a public liability company on 26 November 1971. It is owned by UTC Africa and other individuals.

2.1 Principal activities

The Company's principal activity is manufacturing and processing of food items.

2. Going concern considerations

The Company has accumulated loss of N468 million (2009 - N380 million), negative working capital of N448 million (2009 - N387 million) and negative cash flows of N388 million (2009 - N333 million). The restructuring embarked on by the Board of Directors of the company which is aimed at improving profitability, enhancing credit controls and capital injections are already turning the company in a positive direction. This effort will be continued to ensure the company's survival as a going concern.

3. Turnover

Turnover represents the total sales invoiced to customers for goods supplied after deducting trade discounts and credit notes.

	2010	2009
	N'000	N'000
Confectioneries	2,660,057	2,369,527
Meat products	163,440	204,612
	2,823,497	2,574,139

3.1 SEGMENT INFORMATION

The Company has two main business segments; Confectioneries and meat products. The details are as follows:

	Confectioneries	Meat products	Total
	N'000	N'000	N'000
2010			
Turnover	2,660,057	163,440	2,823,497
Cost of sales	(1,728,826)	(83,077)	(1,811,903)
	931,231	80,363	1,011,594

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended 31 December 2010

	Confectioneries	Meat products	Total
2009	N'000	N'000	N'000
Turnover	2,369,527	204,612	2,574,139
Cost of sales	(1,597,060)	(94,014)	(1,691,074)
	772,467	110,598	883,065

2010	2009
N'000	N'000
-	1,228
20,305	17,781
3,237	-
-	2,156
2,179	7,676
25,721	28,841

4 Other income

Profit on disposal of fixed assets
Rental income
Foreign exchange gain
Interest income
Other sundry income

5 (Loss)/profit on ordinary activities before taxation

This was arrived at after charging/(crediting):

Directors' emoluments:

Fees	1,000	1,000
Others	1,220	1,220

Depreciation:

Leased assets	3,743	3,743
Fixed assets	81,590	68,578
Auditors' remuneration	4,500	4,500
Foreign exchange gain	(3,237)	-
Loss/(profit) on disposal of fixed assets	451	(1,228)

6. Taxation

Education tax	2,103	2,006
Provision for doubtful WHT recoverable	34,771	-
Tax provisions no longer required	(121,877)	-
Per profit and loss account	(85,003)	2,006
At 1 January	119,860	120,229
Provision for doubtful WHT recoverable	(34,771)	-
Payment during the year	-	(2,375)
Per balance sheet	86	119,860

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended and Education Tax Act, CAP E4, LFN 2004.

The Company is not liable to income tax due to the effect of unrelieved losses and unrecouped capital allowances.

6.1 Deferred taxation

Deferred tax computation resulted in a deferred tax assets of N245.4 million which was not incorporated in these financial statements.

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2010

7. Fixed Assets

	Land and buildings	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Capital work-in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation						
At 1 January	1,473,370	335,135	103,182	83,127	408,526	2,403,340
Additions	21,856	62,208	18,037	8,500	29,283	139,884
Transfer	-	-	8,880	24,952	(8,880)	24,952
Adjustments	-	-	-	-	(4,545)	(4,545)
Disposals	-	-	(1,260)	(18,205)	-	(19,465)
At 31 December	1,495,226	397,343	128,839	98,374	424,384	2,544,166
Depreciation						
At 1 January	84,614	208,151	55,203	57,941	-	405,909
Charge for the year	29,134	22,407	13,052	16,997	-	81,590
Transfer	-	-	-	17,467	-	17,467
Impairments	-	28,236	-	-	-	28,236
On disposals	-	-	(1,147)	(17,158)	-	(18,305)
At 31 December	113,748	258,794	67,108	75,247	-	514,897
Net book value						
At 31 December 2010	1,381,478	138,549	61,731	23,127	424,384	2,029,269
At 31 December 2009	1,388,756	126,984	47,979	25,186	408,526	1,997,431

7.1 Leasehold land and buildings were revalued at 31 March 1978, 31 March 1991, 31 December 1995 and 31 July 1998 by Messrs Fox & Co., Chartered Surveyors on the basis of replacement

Furthermore certain leasehold land and buildings were professionally revalued by Messrs Knight Frank and Rutley as at 31 December 2000. The revaluation was based on replacement value and it produced a revaluation surplus of N1,580,468,000 which has been transferred to revaluation reserve.

In November 2006 certain leasehold land and buildings were professionally revalued by Messrs Jide Taiwo & Co. The revaluation was based on replacement value and it produced a revaluation surplus of N522 million which has been transferred to revaluation reserve. Subsequent additions are stated at cost.

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended 31 December 2010

2010	2009
N'000	N'000

8. Financial leased assets

Cost

At 1 January

24,952	24,952
--------	--------

Transfers

(24,952)	-
----------	---

At 31 December

-	24,952
---	--------

Depreciation:

At 1 January

13,724	9,981
--------	-------

Charge for the year

3,743	3,743
-------	-------

Transfers

(17,467)	-
----------	---

At 31 December

-	13,724
---	--------

Net book value:

At 31 December

-	11,228
---	--------

9 Investment

Servipower Ltd

37,500	37,500
--------	--------

UTAL Building Products Limited

12,552	12,552
--------	--------

Others

21	21
----	----

Provision for diminution in value of investments

(4,702)	(4,702)
---------	---------

45,371	45,371
--------	--------

The investments are unquoted, and the Directors are of the opinion that their value is not lower than cost.

10 Stocks

Raw materials and components

92,033	80,442
--------	--------

Work-in-progress

27,259	27,969
--------	--------

Merchandise stocks

7,594	11,489
-------	--------

Consumable stocks

35,090	43,186
--------	--------

Goods-in-transit

10,365	4,396
--------	-------

172,341	167,482
---------	---------

Provision for obsolete stocks

(4,038)	(4,038)
---------	---------

168,303	163,444
---------	---------

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2010

2010	2009
N'000	N'000

11. Trade debtors

Trade debtors	176,222	157,504
Provision for bad and doubtful debts	(68,175)	(40,677)
	108,047	116,827

12. Other debtors and prepayments

Prepayments	21,485	18,386
WHT recoverable	141,510	141,249
VAT recoverable	47,919	28,740
Public Offer expenses	48,896	41,925
Deferred interest expenses	5,519	4,641
Deferred expenditure	-	140,353
Others	40,714	46,487
	306,043	421,781

Provision for bad and doubtful debts	(113,257)	(67,559)
	192,786	354,222

13. Restricted cash

This represents cash in United Bank for Africa Plc which was restricted for use by the court's garnishee order to UBA to freeze the account, pending when the court rules. In 2006, various creditors took the company to court and the court has not ruled till now.

14. Bank loan

2010	2009
N'000	N'000

At the beginning of the year	377,730	470,723
Additions	-	286,000
Paid during the year	(80,460)	(378,994)

At the end of the year	297,270	377,729
Payable within one year	(99,960)	(223,651)
Long term portion	197,310	154,078

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended 31 December 2010

15. Other creditors and accruals

Pension liabilities (Note 15.1)

PAYE payable

Accruals

Unclaimed dividend

Sundry creditors

2010	2009
N'000	N'000
39,699	16,240
10,493	10,205
4,550	4,550
586	586
35,309	21,787
90,637	53,368

15.1 Pension liabilities

At 1 January

Deductions

Remittances

At 31 December

16,240	25,349
26,605	-
(3,146)	(9,109)
39,699	16,240

16. Gratuity

At 1 January

Additions during the year

Payment during the year

At 31 December

86,061	96,772
10,612	6,732
(5,541)	(17,443)
91,132	86,061

17. Share capital

Authorised

2,000,000,000 ordinary shares of 50k each

1,000,000	1,000,000
-----------	-----------

Issued and fully paid

1,233,375,004 ordinary shares of 50k each

616,688	616,688
---------	---------

18. Revaluation reserve

At 31 December

1,148,223	1,148,223
-----------	-----------

19. Revenue reserve

At 1 January

Prior year adjustment (Note 19.1)

Profit for the year

At 31 December

(379,904)	(454,672)
(168,453)	-
79,802	74,768
(468,555)	(379,904)

19.1 Prior year adjustments is made up of N140 million representing interest on Sterling Bank Plc's loan deferred in previous years and N28 million being the impairment charges on certain obsolete and unusable equipment determined to be impaired in the previous year.

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2010

2010	2009
N'000	N'000

20. Reconciliation of profit after tax to net cash provided by operating activities:

Profit after taxation

79,802	74,768
--------	--------

Adjustments to reconcile net income to net cash provided:

Depreciation on fixed assets

81,590	68,578
--------	--------

Depreciation on leased assets

3,743	3,743
-------	-------

Interest expenses

134,326	80,282
---------	--------

Prior year adjustment

(140,217)	-
-----------	---

Restricted cash

-	(3,691)
---	---------

Interest received

-	(2,156)
---	---------

Fixed assets adjustments

4,545	-
-------	---

Loss/(profit) on disposal of fixed assets

451	(1,228)
-----	---------

Changes in assets and liabilities:

Increase in stocks

(4,859)	(17,794)
---------	----------

Decrease in debtors

8,780	41,173
-------	--------

Decrease/(increase) in other debtors and prepayments

161,436	(153,842)
---------	-----------

Increase in trade creditors

46,799	105,149
--------	---------

Increase/(decrease) in other creditors

37,269	(41,443)
--------	----------

Decrease in taxation

(119,774)	(369)
-----------	-------

Increase/(decrease) in gratuity provision

5,072	(10,711)
-------	----------

Decrease in investments

-	4,702
---	-------

Total adjustments

219,161	72,393
---------	--------

Net cash provided by operating activities

298,963	147,162
---------	---------

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended 31 December 2010

2010	2009
N'000	N'000

21. Reconciliation of cash and cash equivalents

Bank and cash balance	47,485	34,679
Bank overdrafts	(435,710)	(367,906)
	(388,225)	(333,227)

22. Information relating to Directors and Employees

1. Directors

(i) Emoluments

Fees:

Chairman

Other Directors

As executives

Highest paid Director

189	189
811	811
1,000	1,000
1,220	1,220
2,220	2,220
3,450	3,450

(ii) The number of Directors excluding the Chairman whose emoluments were within the following ranges were:

N	N
100,001 -	250,000
1,000,000 and above	

Number	Number
5	5
1	1
6	6

2. Employees

(i) The average number of persons employed by the Company during the financial year was as follows:

Managerial

Junior staff

45	39
515	650
560	689

(ii) Staff costs

N'000	N'000
406,138	364,945

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2010

3. Number of employees excluding Directors in receipt of emoluments excluding allowances within the following ranges were:

N	N
100,000 -	200,000
200,001 -	300,000
300,001 -	400,000
400,001 -	500,000
500,001 -	600,000
600,001 -	700,000
700,001 -	800,000
800,001 -	900,000
900,001	and above

2010	2009
Number	Number
356	511
49	42
49	35
33	49
26	21
14	6
3	7
3	7
27	11
560	689

23. Substantial interest in shares

UTC Africa Limited a Company incorporated in Bahamas in 1997 held 443,547,188 (39.55%) ordinary shares of the Company at 31 December 2010. Also Asset Resource Management Limited (ARM), a Company incorporated in Nigeria held 17% ordinary shares of the Company as at 31 December 2010. No other shareholder held more than 10% of the issued share capital of the Company at 31 December 2010.

24. Guarantees and other financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

25. Contingent liabilities

2010	2009
N'000	N'000
-	-

No provision has been made for liabilities in respect of litigation in these financial statements because the Directors are of the opinion that it is not likely to crystallise in any substantial loss.

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended 31 December 2010

26. Related party transactions

The company did not have any related party as at 31 December 2010.

27. Post balance sheet events

There were no post balance sheet events which could have a relevant impact on the financial statements of the Company that had not been adequately provided for or disclosed in the financial statements. Subsequent to the year end, the company commissioned a new sales outlet in Awolowo Road, Ikoyi, Lagos.

28. Comparative figures

Certain comparative figures have been restated to show meaningful comparison and conformity with current year presentation.

STATEMENTS OF VALUE ADDED

For the year ended 31 December 2010

31 DECEMBER

2010	%	2009	%
N'000		N'000	

Turnover	2,823,497		2,574,139	
----------	-----------	--	-----------	--

Other income	25,721		28,841	
--------------	--------	--	--------	--

	2,849,218		2,602,980	
--	-----------	--	-----------	--

Brought in material and services -	(2,141,516)		(2,008,658)	
------------------------------------	-------------	--	-------------	--

Local

Value added	707,702	100	594,322	100
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Applied as follows:

To pay employees

Staff salaries and other benefits	406,138	57	364,945	60
-----------------------------------	---------	----	---------	----

To pay provider of capital

Interest and similar charges	134,326	19	80,282	14
------------------------------	---------	----	--------	----

To pay Government

Education tax	2,103	-	2,006	-
---------------	-------	---	-------	---

Retained for replacement and growth

Depreciation on fixed assets	81,590	12	68,578	12
------------------------------	--------	----	--------	----

Depreciation on leased assets	3,743	1	3,743	1
-------------------------------	-------	---	-------	---

Profit and loss account	79,802	11	74,768	13
-------------------------	--------	----	--------	----

	707,702	100	594,322	100
--	----------------	------------	----------------	------------

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government, providers of finance and that retained for the future creation of more wealth.

FINANCIAL SUMMARY

31 DECEMBER

BALANCE SHEET

ASSETS

	2010	2009	2008	2007	2006
	N'000	N'000	N'000	N'000	N'000
Fixed assets	2,029,269	1,997,431	2,033,665	1,908,225	879,438
Investments	45,371	45,371	50,073	50,073	50,073
Finance leased assets	-	11,228	14,971	-	-
Net current liabilities	(448,237)	(387,279)	(545,187)	(430,027)	(129,184)

1,626,403	1,666,751	w1,553,522	1,528,271	800,327
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LONG TERM LIABILITIES

Term loans	(197,310)	(154,078)	(104,906)	(167,975)	-
Gratuity provision	(91,132)	(86,061)	(96,772)	(101,703)	(113,256)
	1,337,961	1,426,612	1,351,844	1,258,593	687,071

CAPITAL AND RESERVES

Share capital	616,688	616,688	616,688	560,625	560,625
Share premium	41,605	41,605	41,605	97,668	97,668
Capital reserve	1,148,223	1,148,223	1,148,223	1,148,223	614,266
Revenue reserve	(468,555)	(379,904)	(454,672)	(547,923)	(585,488)

Shareholders' funds	1,337,961	1,426,612	1,351,844	1,258,593	687,071
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TURNOVER, PROFIT AND LOSS

Turnover	2,823,497	2,574,139	2,153,930	1,465,050	951,552
(Loss)/profit before taxation and extraordinary item	(5,201)	76,774	49,388	40,168	54,318
Taxation	85,003	(2,006)	(3,026)	(2,603)	(1,757)
Profit after taxation and before extraordinary item	79,802	74,768	46,362	37,565	52,561
Extraordinary item	-	-	46,889	-	-
Profit after extraordinary item transferred to revenue reserve	79,802	74,768	93,251	37,565	52,561

Per share data (kobo)

Earnings	6	6	8	3	5
Net assets	108	116	110	112	61

NOTES:

1. Earnings per share are calculated on profit after taxation and the number of issued and fully paid ordinary shares at end of each financial year.
2. Net assets per share based on net assets and number of issued and fully paid ordinary shares at the end of each financial year.

Newly commissioned Chopsy production line.



PROXY FORM

I/We.....

of.....

being a member/ members of UTC Nigeria Plc do hereby appoint

.....
or failing him, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us and on my our behalf at the Annual General Meeting of the Company to be held on Tuesday 16th August 2011, at 12.noon at the Cinema Hall, of Gateway Hotel, Ogun State and any adjournment thereof.

Signature:

**in favour of

This form is to be usedthe resolutions

**As against

Dated this.....day of.....2011

Unless otherwise instructed, the proxy will vote as he thinks fit.

- Note:
1. A member of the Company is entitled to attend and vote at the of the Company. He is also entitled to appoint a proxy to attend and vote instead of Him; and in this cast the above from may be used to appoint a proxy.
 2. The Chairman of the Meeting has been entered on the From of proxy to ensure that someone will be at the meeting to act as your proxy; but if you wish, you may insert n the blank space marked of the form 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 one named.
 3. Strike out whichever is not desired where it is marked,
 4. The above Form of Proxy, when completed must be deposited with the registrar to the Company - UBA Registrars Limited, Raymand House 3rd/ & 4th Floor, 97/105, Broad street, P. O. BOX 6492, Lagos State, not later than 48 hours for this Meeting .

UTC Nigeria Plc

ADMISSION CARD

Please admit

To the Annual General Meeting of UTC Nigeria Plc which will be held on Tuesday 16th August, 2011 at 12 noon at the Cinema Hall of Gateway Hotel, Abekuta, Ogun State.

Signature of person Attending

Important:

- A this admission form must be produced by the shareholder or his proxy in obtain entrance to the Annual General Meeting .
- B Shareholder or thMeetingeir proxy are requested to the admission Form before attending the Meeting

UTC Nigeria Plc

*Affix
Stamp*

The Registrar
UBA Registrars Ltd
Raymond House
3rd & 4th Floor
97/105, Broad Street
P. O Box 6492
Lagos.

Please cut along this line





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US AT:**

FACTORY
UTC NIGERIA PLC
14, Oba Akran Road,
Ikeja

UTC MEAT MART
Owanbe Mart
Water Front, Wole Olagunju Street
Opp. Akin Leigh Street, Lekki Phase 1



UTC NIGERIA PLC

27/29 Creek Road, Apapa
Lagos-Nigeria
Tel: 8765611, 8765419, 07028064166
Website: www.utcnig.com Email: utcnig.com