LIVESTOCK FEEDS PLC
(a subsidiary of uac of nigeria plc)

1, Henry Carr Street,
P.M.B 21097, Ikeja, Lagos State, Nigeria
Telephone: +234-8077281600
E-mail: info@livestockfeedsplc.com
website: www.livestockfeedsplc.com
Regd. Number - RC. 3315

BRANCHES:

IKEJA MILL
1, Henry Carr Street,
P.M.B. 21097, Ikeja
Tel: 08077281527

ABA MILL
12, Industrial Layout
P.M.B. 7119, Aba
Tel: 08077281492

NORTHERN OPERATIONS
Km 17 Zawan Roundabout
Zawan, Jos South
Plateau State
Tel: 08077281465

ONITSHA OPERATIONS
No 15a Pokobros Avenue
Off Atani Road, Onitsha
Anambra State
Tel: 08077257575

FINANCIAL STATEMENTS 31 DECEMBER 2021

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CORPORATE INFORMATION

Directors		
	Mr. Joseph Dada	Non Executive Chairman
	Mr. Adegboyega Adedeji	Managing Director
	Mr. Daniel Obaseki	Non Executive Director
	Mrs Bolarin Okunowo	Non Executive Director (Resigned w.e.f 21 March 2022)
	Mr. Abayomi Adeyemi	Non Executive Director (Independent)
	Mr. Adebolanle Badejo	Non Executive Director
Acting secretary:	Mrs. Rose Joshua Hamis	
Registered office:	1 Henry Carr Street P.M.B 21097 Ikeja, Lagos, Nigeria. Email: Info@livestockfeedsplc.com	
Registration number:	RC3315	
Registrars:	Cardinal Stone Registrars Limited 358, Herbert Macaulay Way Yaba, Lagos.	
Principal bankers:	Access Bank Plc First Bank of Nigeria Ltd First City Monument Bank Plc Guaranty Trust Bank Plc Stanbic IBTC Bank Plc Union Bank of Nigeria Plc Zenith Bank Plc	
Independent auditors:	KPMG Professional Services KPMG Tower, Bishop Aboyale Cole St, Victoria Island, Lagos Nigeria.	

Directors' report
For the year ended 31 December 2021

The directors have pleasure in presenting to the members of Livestock Feeds Plc (the Company) their report together with the audited financial statements for the year ended 31 December 2021.

Legal form

Livestock Feeds Plc was incorporated on 20 March 1963 under the Companies and Allied Matters Act as a public limited liability Company, and is domiciled in Nigeria.

The Company was quoted on the Nigerian Stock Exchange in 1978. The registered office of the Company is located at 1, Henry Carr Street, Ikeja, Lagos.

Principal activity

The Company is engaged principally in the manufacturing and marketing of animal feeds and concentrates.

Result for the year

The Company's result for the year ended 31 December 2021 are shown on page 13. The profit for the year of N429.7 million has been transferred to retained earnings. The summarised results are presented below.

	2021 ₦'000	2020 ₦'000
Revenue	14,640,268	11,179,328
Gross profit	1,578,174	1,285,618
Profit before minimum taxation	565,133	546,071
Minimum tax expense	(73,201)	(27,948)
Profit after minimum taxation	**491,932**	**518,123**
Income tax expenses	(62,235)	(14,936)
Profit for the year	**429,697**	**503,187**

Dividend

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2021 (2020: Nil).

Directors' interest in contracts

None of the Directors has notified the Company for the purpose of the Companies and Allied Matters Act 2020 of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Substantial interests in shares

According to the Registrar of members, the following shareholders of the Company held more than 5% of the issued share capital of the Company as at 31 December 2021.

	2021		2020	
Shareholder	**Number of shares**	**above 5%**	**Number of shares**	**above 5%**
UAC of Nigeria Plc	2,198,745,772	73.29	2,198,745,772	73.29

Directors' interest in shares of the Company
None of the directors have interest in the Company's shares as at 31 December 2021 (2020,nil).

Directors' report
For the year ended 31 December 2021

Analysis of shareholding

According to the register of members, the below is the analysis of shareholders of the Company as at 31 December 2021.

	Holders	Holdings	% Holdings	Nominal value of shares (N)
Other corporate entities	734	2,339,634,046	77.99	1,169,817,023
Other Managed funds	28	7,935,575	0.26	3,967,788
Local Government	1	335,050	0.01	167,525
Individuals	18,949	648,669,121	21.62	324,334,561
Foreign shareholders	74	3,425,626	0.11	1,712,813
Total	**19,786**	**2,999,999,418**	**100**	**1,499,999,710**

Below is the range analysis as at 31 December 2021

Number of Holders	Number of Holders	% of Holders	Holdings	% Holdings
1 - 1000	4,377	22.12	2,173,329	0.07
1001 - 10000	8,672	43.83	44,120,745	1.47
10001 - 50000	4,762	24.07	114,965,712	3.83
50001 - 100000	980	4.95	76,307,948	2.54
100001 - 500000	748	3.78	163,414,507	5.45
500001 - 1000000	120	0.61	89,627,238	2.99
1000001 - 5000000	116	0.59	235,707,179	7.86
5000001 - 10000000	8	0.04	52,985,340	1.77
10000001 - 2999999418	3	0.02	2,220,697,420	74.02
	19,786	**100.00**	**2,999,999,418**	**100.00**

Below is the range analysis as at 31 December 2020

Number of Holders	Number of Holders	% of Holders	Holdings	% Holdings
1 - 1000	4,070	21.10	2,117,572	0.07
1001 - 10000	8,617	44.67	43,994,369	1.47
10001 - 50000	4,732	24.53	113,809,932	3.79
50001 - 100000	984	5.10	76,512,300	2.55
100001 - 500000	673	3.49	144,058,567	4.80
500001 - 1000000	100	0.52	74,267,507	2.48
1000001 - 5000000	101	0.52	206,392,137	6.88
5000001 - 10000000	6	0.03	40,710,945	1.36
10000001 - 2999999418	7	0.04	2,298,136,089	76.60
	19,290	**100**	**2,999,999,418**	**100.00**

A director, Mrs Bolarin Okunowo resigned with effect from 21 March 2022. The resignation is yet to be filed with the Corporate Affairs Commission.

Property, Plant and Equipment (PPE)

Information relating to movement in property, plant and equipment is shown in Note 14 to the financial statements.

Directors' report
For the year ended 31 December 2021

Employment of physically challenged persons

The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

Health, safety and welfare at work

The Company maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Company's rules and practices in these regards are reviewed and tested regularly. Also, the Company provides free medical insurance for its employees and their families through selected health management organizations and hospitals.

Employee consultation and training

The directors maintain regular communication and consultation with the employees on matters affecting employees and the Company.
Employees are kept fully informed regarding the Company's performance and the Company operates an open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.
Training is carried out at various levels through in-house and external courses. The Company's skill base has been extended by a range of training provided to the employees whose opportunity for career development within the Company has been enhanced.

Corporate governance report

Livestock Feeds 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, as are our people and brand. We conduct our business in full compliance with the laws and regulations of Nigeria and UAC Code of Business Conduct.

Charitable donations

The Company made no charitable gifts or donation during the year (2020:nil). In compliance with Section 43(2) of the Companies and Allied Matters Act (CAMA), 2020 the Company did not make any donations of gifts to any political parties, political association, or for any political purpose during the year.

Independent Auditor

Messrs. KPMG Professional Services having satisfied the relevant corporate governace rules on their tenure in office have indicated their willingness to continue in office as auditors of the Company. In accordance with section 401(2) of the Companies and Allied Matters Act, 2020 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By order of the Board

Mrs. Rose Joshua Hamis
Acting Company Secretary
FRC/2017/NBA/00000016315
25th March,2022

Statement of directors' responsibilities in relation to the financial statements
For the year ended 31 December 2021

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Signed on behalf of the Board of Directors by:

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Chairman	**Managing Director**
Mr. Joseph Dada	**Mr. Adegboyega Adedeji**
FRC/2016/APCON/00000014735	**FRC/2020/003/00000021439**

Statement of Corporate Responsibility
For the year ended 31 December 2021

Further to the provisions of Section 405 of the Companies and Allied Matters Act (CAMA) 2020, we, the Managing Director/CEO and Finance Manager, hereby certify the financial statements of Livestock Feeds Plc for the year ended 31 December 2021 as follows:

a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.

b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2021.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the companies, during the year end 31 December 2021.

e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

g) That we have disclosed the following information to the Company's Auditors and Audit Committee:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control

Signed on behalf of the Board of Directors by:

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Managing Director	**Finance Manager**
Mr.Adegboyega Adedeji	**Mr. Adekunle Adepoju**
FRC/2020/003/00000021439	**FRC/2013/ICAN/00000004478**

REPORT OF THE AUDIT COMMITTEE
For the year ended 31 December 2021

REPORT OF THE AUDIT COMMITTEE TO THE SHAREHOLDERS OF LIVESTOCK FEEDS PLC

“In compliance with the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria, We have reviewed the audited Financial Statements of the Company for the year ended 31 December 2021 and report as follows:

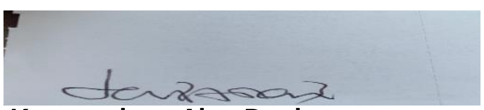
(a) The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.

(b) The scope and planning of the external audit for the year ended 31 December, 2021 were, in our opinion adequate.

(c) We reviewed the findings and recommendations in the Internal auditor’s Report and the External Auditor’s Management Control Report and we were satisfied with the management responses thereto.

(d) The Company maintained effective systems of accounting and internal control system during the year in review.

We have deliberated with the External Auditors, who confirmed that all necessary cooperation was received from management and that they had issued a clean report in respect of the financial statements for the year ended 31 December 2021.



Aare Kamorudeen Ajao Danjuma
FRC/2019/IODN/00000019526
Chairman – Audit Committee

Dated 25th March,2022

Members of the Audit Committee:

Aare Kamorudeen Ajao Danjuma	Chairman
Prince Manfred Bassey	Member
Mr. Olufemi Fredrick Oduyemi	Member
Mr. Abayomi Adeyemi	Member
Mr. Adebolanle Badejo	Member

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Livestock Feeds Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Livestock Feeds Plc (the Company), which comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Key Audit Matters

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

Inventory valuation	
Refer to significant accounting policies (Note 2.2) and Inventory (Note 16) in the financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
The carrying amount of inventories is significant and amounted to NGN8.6billion representing 79% of total assets. The inventories are held at various locations within the Country with certain items held by third parties on behalf of the Company. Furthermore, inventory count is done before year end and a roll-forward performed by management. The significance of the balance, the nature of the item and the complexities around the timing of the count and measurement makes inventories a key audit matter in our audit.	The following audit procedures were performed among others: • We evaluated the design and implementation of identified controls established within the inventory management process. • We observed physical inventory count exercise and checked the roll-forward to year end related reconciliations performed by management. • We obtained confirmation of inventory quantities from third parties in respect of items received between the date of the physical count and the year end. • We checked the appropriateness of the Company's inventory valuation method and that the disclosures in the financial statements are in line with applicable standards. • We performed net realizable value tests on the sample of Inventories selected based on statistical sampling method.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Financial Highlights, Report of the Directors, Corporate Governance Report, Report of the Statutory Audit Committee, Statement of Directors Responsibilities in Relation to the Financial Statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures which we obtained prior to the date of this report, but does not include the financial statements and our auditor's report thereon. Other information also includes the Chairman's statement, shareholders' information amongst others together the "Outstanding reports", which are expected to be made available to us after that date.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Mohammed M. Adama, FCA
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
31 March 2022
Lagos, Nigeria

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December

	Notes	2021 ₦'000	2020 ₦'000
Revenue from contracts with customers	4	14,640,268	11,179,328
Cost of sales	7(i)	(13,062,094)	(9,893,710)
Gross profit		**1,578,174**	**1,285,618**
Other operating income	8	16,039	85,740
Selling and Distribution expenses	7(ii)	(181,781)	(316,723)
Expected Credit Loss	17	(47,858)	(7,991)
Administrative expenses	7(iii)	(501,675)	(360,785)
Operating profit		**862,899**	**685,859**
Investment income	9	683	302
Finance costs	10	(298,449)	(140,090)
Profit before minimum taxation	11	**565,133**	**546,071**
Minimum tax expense	12(v)	(73,201)	(27,948)
Profit after minimum taxation		**491,932**	**518,123**
Income tax expense	12(i)	(62,235)	(14,936)
Profit for the year		**429,697**	**503,187**
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year, net of tax		**429,697**	**503,187**
Earnings per share(kobo)			
Basic earnings for the year attributable to ordinary equity holders	13	14.32	16.77
Diluted earnings for the year attributable to ordinary equity holders	13	14.32	16.77

The accompanying significant accounting policies and notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December

	Notes	2021	2020
Assets		**₦'000**	**₦'000**
Non-current assets			
Property, plant and equipment	14	776,428	835,562
Intangible assets	15	34,851	-
Right of use assets	18(iii)	8,333	-
Total non-current assets		**819,612**	**835,562**
Current assets			
Inventories	16	8,581,643	5,096,943
Trade and other receivables	17	982,112	366,323
Refund assets	17	3,327	10,147
Prepayments	18	81,147	50,507
Other financial assets	19.2	17,283	20,668
Cash and cash equivalents	19	342,611	93,991
Total current assets		**10,008,123**	**5,638,578**
Total assets		**10,827,735**	**6,474,140**
Equity			
Issued capital	20	1,500,000	1,500,000
Share premium	20	693,344	693,344
Revenue reserves		309,131	(120,566)
Total equity		**2,502,475**	**2,072,778**
Non -current liabilities			
Deferred tax liabilities	12(iii)	42,004	-
Total current liabilities		**42,004**	**-**
Current liabilities			
Trade and other payables	21	716,517	2,332,999
Refund liabilities	21.2	3,690	11,194
Income tax payable	12(iv)	93,591	43,034
Dividend payable	22	17,384	20,768
Interest-bearing loans and borrowings	23	7,452,074	1,993,367
Total current liabilities		**8,283,256**	**4,401,362**
Total liabilities		**8,325,260**	**4,401,362**
Total equity and liabilities		**10,827,735**	**6,474,140**

The Financial statements was approved and authorised for issue by the Board of Directors on 25th March, 2022 and was signed on its behalf by:

Chairman	**Managing Director**	**Finance Manager**
Dr. Joseph Dada	**Mr. Adedeji Adegboyega**	**Mr. Adekunle Adepoju**
FRC/2016/APCON/00000014735	**FRC/2020/003/00000021439**	**FRC/2013/ICAN/00000004478**

The accompanying significant accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Issued capital ₦'000	Share premium ₦'000	Revenue reserves ₦'000	Total equity ₦'000
At 1 January 2020	1,500,000	693,344	(623,752)	1,569,592
Profit for the year	-	-	503,187	503,187
Other comprehensive income	-	-	-	-
Total comprehensive income, net of tax	-	-	503,187	503,187
At 31 December 2020	**1,500,000**	**693,344**	**(120,565)**	**2,072,779**
At 1 January 2021	1,500,000	693,344	(120,566)	2,072,778
Profit for the year	-	-	429,697	429,697
Other comprehensive income	-	-	-	-
Total comprehensive income, net of tax	-	-	429,697	429,697
At 31 December 2021	**1,500,000**	**693,344**	**309,131**	**2,502,475**

The accompanying significant accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December

	Notes	2021 ₦'000	2020 ₦'000
Operating activities			
Profit before tax		565,133	546,071
Depreciation of property, plant and equipment	14	165,552	154,306
Amortisation of intangible assets	15	543	36
Loss/(Gain) on disposal of property, plant and equipment	8	9,814	(3,176)
Expected credit loss	7(iii)	47,858	7,991
Finance cost	10	298,449	140,090
Government grant		-	(66,212)
Changes in working capital:			
(Increase) in inventories		(3,484,700)	(2,228,110)
(Increase) in trade and other receivables		(663,647)	(209,031)
(Increase) in prepayments		(32,153)	19,769
(Decrease)/Increase in trade and other payables		(1,623,987)	912,451
Cash outflow from operating activities		(4,717,137)	(725,816)
Income tax paid	12(iv)	(42,875)	(6,277)
Net cash (used in) operating activities		(4,760,012)	(732,093)
Investing activities			
Proceeds from disposal of PPE		14,723	3,571
Acquisition of Intangibles assets	15(iii)	(35,394)	-
Purchase of property, plant and equipment	14	(130,955)	(131,600)
Net cash flows (used in) investing activities		(151,626)	(128,029)
Financing activities			
Interest paid	10	(298,449)	(79,259)
Proceeds from borrowings	23	7,734,103	2,293,368
Repayment of borrowings	23	(2,275,396)	(1,300,000)
Net cash flows from financing activities		5,160,258	914,109
Increase in cash and cash equivalents		248,620	53,986
Cash and cash equivalents at 1 January		93,991	40,005
Cash and cash equivalents at 31 December	19	**342,611**	**93,991**

The accompanying significant accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. Corporate information

Livestock Feeds Plc was incorporated on 20th March,1963 and commenced business on 20th May, 1963. The Company was quoted on the Nigerian Stock Exchange in 1978. The Company is engaged principally in the manufacturing and marketing of animal feeds and concentrates. The registered office of the Company is located at 1 Henry Carr Street, Ikeja Lagos. The parent Company is UAC of Nigeria Plc.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards(IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act 2020.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Naira which is the Company's functional currency and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or

  There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

2.2 Summary of significant accounting policies

b) Fair value measurement
The Company measures its financial instruments at fair value at each reporting date mainly for disclosure purpose. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

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

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
  Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

c) Revenue from contracts with customers
The Company is into agricultural business for the manufacturing and marketing of animal feeds and concentrates.
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

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

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

2.2 Summary of significant accounting policies - continued

Revenue from contracts with customers - continued

The Company has identified one distinct performance obligations:

Contract for the sale of feeds and concentrates begins when goods have been delivered to the customer and revenue is recognised at the point in time when control of the goods has been transferred to the customer, generally on delivery of the goods. The normal credit term is 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of feeds and concentrates, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

i. Significant financing component

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since Livestock feeds Plc expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

ii. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume incentives and trade discounts

When customers meet a set target in a particular month the Company gives a volume incentive. Trade discounts that range between 16%-20% are given to customers which is determined at the inception of the contract and are set-off against revenue.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Revenue from contracts with customers - continued

Rights of return

Some contracts for the sale of Animal feeds provide customers with a right of return and volume rebates. When a contract provides a customer with a right to return the goods within a specified period, the consideration received from the customer is variable because the contract allows the customer to return the products. The Company used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the statement of financial position.

Principal vs Agent consideration

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

PRACTICAL EXPEDIENTS
Revenue Recognition

Practical expedients
Livestock Feeds Plc (LSF) has elected to make use of the following practical expedients:

• LSF opted for the use of one year or less practical expedients for significant financing component.

• LSF applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Other income
This comprises majorly profit from sale of plant and equipment,sales of sack, government grant and so on.

Income arising from disposal of items of plant and equipment and scraps is recognised at the time when proceeds from the disposal has been received by the Company.The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets.

d) Taxes

Current income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Current income tax - continued

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)
- National Agency for Science and Engineering Infrastructure (NASENI)

Tertiary Education Tax
Tertiary Education Tax is charged on the assessable profit of the the Company at the rate of 2.5%. The assessable profit of the Company is ascertained in the manner specified in the Companies Income Tax Act (CITA). The assessable profit is arrived at by adjusting the profit before tax with non-deductible expenses and non-taxable income as per the Companies Income Tax Act. The Company offsets the tax assets arising from withholding tax credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and it intends either to settle on a net basis, or to realize the asset and settle the liablity simultaneously.

Minimum tax
Minimum Tax(determined based on 0.5% of qualifying Company's turnover (revenue) less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recogised under tax payable in the statement of financial position.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Value added tax (VAT)

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

- When the Value added tax (VAT) incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of Value added tax (VAT) included

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

e) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation of unsettled monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income within other operating income\.

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

f) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. Based on the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. However, where interim dividend is declared by the Board, it is recognised in the liability pending the approval of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date where applicable.

g) Property, plant and equipment

Recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Capital work in progress are uncompleted projects and they are not depreciated. Depreciation starts when the projects are completed and transfererred to the relevant asset class.

All other repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred. Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life. The depreciation rates include:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

	% per annum
Leasehold Land	3
Building	3
Machinery & Equipment	12.5
Motor Vehicle	
- Automobile	25
- Truck	12.5
Computer Equipment	33.3
Office equipment	20

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss within ‘other operating income’ in the year that the asset is derecognised.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end, with the changes in estimates accounted for prospectively.

h) Intangible assets

Computer software

Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset. Computer software are purchased from the third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the profit/loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible 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.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible assets, measured are as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised. The useful life rate is 33.3%

i) Financial instruments – initial recognition and subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

i) Financial assets
No changes were made in the objectives, policies or processes for managing capital during the periods ended 31 December 2021 and 2020.

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (c) Revenue from contracts with customers.
In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

i) Financial assets- Continued

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

The Company's financial assets at amortised cost includes trade receivables, and receivables from related parties.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Derecognition

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

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

  Or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

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

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

For receivables from related parties (non-trade), and staff loans, the Company applies general approach in calculating ECLs. It is the Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

• PD The Probability of Default is an estimate of the likelihood of default over a given time horizon.

• EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.

• LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, armotised cost, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings and are classified at amortised cost.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate(EIR) method.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:-

Raw materials and packaging materials

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

Finished goods

Cost of direct materials and labour plus a reasonable proportion of overheads absorbed by manufacturing based on normal levels of activity.

Spare parts and consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

k) Impairment of non-financial assets

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

• Disclosures for significant assumptions	Note 3
• Property, plant and equipment	Note 14
• Intangible assets	Note 15

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

l) Cash and bank balances

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m) Provisions

A provision is recognized only if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

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 recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The Company's provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

n) Contigent liabilities

A Contigent liability is a possible liability that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations;or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contigent liability and no disclosure is made.

o) Government grant

Benefits accruing to the Company on government assisted loans granted at a below market rate of interest is treated as a government grant. The benefit of such a government assisted loan is the difference between market rate of interest and the below market rate applicable to the government assisted loan.The grant so measured is recognised as income in the financial statements on a systemmatic basis over the tenor of the loan.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

p) Pension and other post-employment benefits

i) Defined contribution scheme - pension

In line with the provisions of the Nigerian Pension Reform Act, 2014, Livestock Feeds Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Company at the rate of 8% by employees and 10% by the Company of basic, housing and transport allowance, and invested outside the Company through Pension Fund Administrators (PFAs) of the employees choice.

The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by Livestock Feeds Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.
Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q) Leases

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

i) Right -of-use-assets (ROU)

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

ii) Lease liabilities

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

The Company has no lease liability as at 1 January 2021 and 31 December 2021 because all existing leases have been prepaid.

iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases assets i.e Land and warehouses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

r) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the internal 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 Board of Livestock Feeds Plc.

The Company's primary format for segment reporting is based on business operating segments. Where applicable, segment results, assets and liablities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The basis of segmental reporting is geographical locations where the Company operates namely Ikeja for South west, Aba mill for South east, Onitsha operations for South south and Jos and Kano for the North.

2.3 New and amended standards and interpretations

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2021.

2.3 New and amended standards and interpretations- Continued

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Enterprise.

Amendment to IFRS 16-Covid-19-Related Rent Concessions

Amendment to IFRS 16 Leases provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. A lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

It applies only to rent concessions occurring only if all of the following conditions are met:
• The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
• Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
• There is no substantive change to other terms and conditions of the lease.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Company is yet to fully assess the impact the new standards and amendments may have on its financial statements. The Company intends to adopt these standards, if applicable when they become effective.

(i) Amendement to IFRS 17	Insurance Contracts (Effective for annual periods beginning on or after 1 January 2023)

2.3 New and amended standards and interpretations - continued

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

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement

• That a right to defer must exist at the end of the reporting period

• That classification is unaffected by the likelihood that an entity will exercise its deferral right

• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

2.3 New and amended standards and interpretations - continued

New and revised IFRS Standards in issue but not yet effective- Continued

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Enterprise will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Enterprise.

3. Significant accounting judgements, estimates and assumptions

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

Other disclosures relating to the Company’s exposure to risks and uncertainties includes:

• Capital management	Note 6
• Financial instruments risk management and policies	Note 26
• Sensitivity analyses disclosures	Note 26

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

3. Significant accounting judgements, estimates and assumptions - continued

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal – Company as lessee

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

The Company does not have lease contracts that include extension in the year under review.

Revenue from contracts with customers

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

Determining the timing of satisfaction of sales of feeds and concentrates
The Company concluded that revenue for sales of feeds and concentrates is to be recognised at a point in time; when the customer obtains control of the goods. The Company assess when control is transferred using the indicators below:

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing off the asset. The fair value of the assets of is based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Company.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

3. Significant accounting judgements, estimates and assumptions - continued

Provision for expected credit losses of trade receivables

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

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

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 17 and 26.4

Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Taxes

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

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended 31 December 2021				
Segments	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**TOTAL**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Type of goods or service					
Sale of livestock feeds	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Total revenue from contracts with customers	**2,728,705**	**9,013,682**	**1,117,561**	**1,780,320**	**14,640,268**
Geographical markets					
Within Nigeria	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	**2,728,705**	**9,013,682**	**1,117,561**	**1,780,320**	**14,640,268**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Timing of revenue recognition					
Goods transferred at a point in t	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	**2,728,705**	**9,013,682**	**1,117,561**	**1,780,320**	**14,640,268**

4. Revenue from contracts with customers - Continued

4.1 Disaggregated revenue information - Continued

	For the period ended 31 December 2020				
Segments	**Aba ₦'000**	**Ikeja ₦'000**	**Onitsha Operations ₦'000**	**Northern Operations ₦'000**	**TOTAL ₦'000**
Type of goods or service					
Sale of livestock feeds	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Total revenue from contracts with customers	**1,994,458**	**5,775,657**	**1,149,265**	**2,259,948**	**11,179,328**
Geographical markets					
Within Nigeria	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	**1,994,458**	**5,775,657**	**1,149,265**	**2,259,948**	**11,179,328**
Timing of revenue recognition					
Goods transferred at a point in time	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	**1,994,458**	**5,775,657**	**1,149,265**	**2,259,948**	**11,179,328**

Performance obligations

Information about the Company's performance obligations are summarised below:

Sale of Animal feeds

The performance obligation is satisfied upon delivery of livestock feeds and payment is generally due within 30 to 90 days from delivery.

Contract balances		**2021 ₦'000**	**2020 ₦'000**
Trade receivables	17	181,680	123,727

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2021: N139.68 Million (2020: N91.82 million) was recognised as provision for expected credit losses on trade receivables.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

5. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Livestock Feeds Plc. The Board members review the Company's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. Assessment of performance is based on operating profits of the operating segment that is reviewed by the Board. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Company generated all its revenue in Nigeria. The Company operates only in the Feed Milling industry hence all information on the statement of profit or loss and other comprehensive income and statement of financial position remains the same with that of the segment information.

	2021 N'000	2020 N'000
Revenue from contract with customers	14,640,268	11,179,328
Operating profit	862,899	685,859
Finance cost (Note 10)	(298,449)	(140,090)
Finance income (Note 9)	683	302
Profit before taxation	565,133	546,071
Income tax expense	(73,201)	(27,948)
Total assets	10,827,735	6,474,140
Total liabilities	8,325,260	4,401,362

Revenue
The Company (all segments) produces animal feeds which is 100% of its turnover. Other products include Vet Drugs which is bought from other Companies for marketing and sales and full fat which is manufactured by the Company. All the products have similar risk ad returns and are therefore considered as a single segment. Analysis of sales for the year is as follows:

	2021 N'000	2020 N'000
Aba	2,728,705	1,994,458
Ikeja	9,013,682	5,775,657
Onitsha Operations	1,117,561	1,149,265
Northern Operations	1,780,320	2,259,948
	14,640,268	**11,179,328**

The Company has four reportable segments based on location of the principal operations as follows:
Aba
Ikeja
Onitsha Operations
Northern Operations

Segmental revenue and operating profit-31 December 2021

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
From external customers	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Segment revenue	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Cost of sales	(2,352,117)	(8,070,703)	(1,026,458)	(1,612,818)	(13,062,095)
Gross profit	**376,588**	**942,979**	**91,103**	**167,502**	**1,578,173**
Selling and distribution expense	(20,808)	(67,275)	(15,019)	(33,600)	(136,703)
Trading profit	**355,780**	**875,704**	**76,084**	**133,902**	**1,441,470**
Other income	4,937	13,122	-	893	18,951
Operating profit	**360,717**	**888,826**	**76,084**	**134,795**	**1,460,422**
Finance Cost	(65,058)	(218,570)	-	(14,821)	(298,449)
Contribution to margin	**295,659**	**670,256**	**76,084**	**119,974**	**1,161,972**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

5. Segment information - continued	**2021**
Head Office	**N'000**
Dividend income	306
Interest income	683
Laboratory income	911
Sales of Scrap	1,001
Insurance Claim	2,125
Gain on disposal of assets	(9,817)
Miscellaneous income	1,060
ITF Refund	1,996
(Loss) Realized Foreign Currency Revaluation	(493)
Expected credit loss	(47,858)
Administrative cost	(501,675)
Marketing Cost	(45,080)
Profit before tax	**565,134**

Segment assets and liabilities- 31 December 2021

Non-current assets	**Head office**	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Property,plant and equipment	333,782	236,879	200,401	978	4,389	776,428
Intagible assets	34,851	-	-	-	-	34,851
Prepayment (Due after one year)	8,333	-	-	-	-	8,333
Current assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Inventory	5,819,766	919,556	1,566,475	44,784	231,062	8,581,643
Trade and other receivables	913,950	12,543	18,912	17,694	19,013	982,112
Refund assets	3,327	-	-	-	-	3,327
Prepayments	36,509	0	25,193	-	19,444	81,147
Other financial asset	17,283	-	-	-	-	17,283
Cash and cash equivalents	340,258	1,614	730	2	6	342,611
	7,131,094	**933,713**	**1,611,310**	**62,480**	**269,525**	**10,008,123**

The inventory balance at the head office represents materials held in Livestock feeds Plc warehouses and those held at external warehouses in Lagos,Kano and Zaria and will be transferred to the various mills in the current year while trade and other receivables represents receivables from debtors and deposit for raw materials.

Current liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade and other payables	490,592	36,437	115,728	39,114	34,647	716,517
Short- term borrowings	7,452,074	-	-	-	-	7,452,074
Refund liabilities	3,690	-	-	-	-	3,690
Dividend payable	17,384	-	-	-	-	17,384
Current tax payable	93,591	-	-	-	-	93,591
	8,057,330	**36,437**	**115,728**	**39,114**	**34,647**	**8,283,256**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

5. Segment information - continued

Segmental revenue and operating profit -31 December 2020

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
From external customers	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Segment revenue	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Cost of sales	(1,718,001)	(5,174,141)	(1,035,409)	(1,966,159)	(9,893,710)
Gross profit	**276,457**	**601,516**	**113,856**	**293,789**	**1,285,618**
Selling and distribution expense	(18,491)	(190,073)	(22,288)	(53,122)	(283,974)
Trading profit	**257,966**	**411,443**	**91,568**	**240,667**	**1,001,644**
Other income	22,199	56,087	-	-	78,286
Operating profit	**280,165**	**467,530**	**91,568**	**240,667**	**1,079,930**
Finance expense	(45,251)	(94,838)	-	-	(140,089)
Contribution to margin	**234,914**	**372,692**	**91,568**	**240,667**	**939,841**
Head Office					
Dividend Income					286
Interest income					302
Laboratory income					874
Gain on disposal of assets					3,176
Miscellaneous income					967
ITF refund					1,309
Insurance Claim					-
Sale of scraps					843
Expected Credit Loss					(7,991)
Administrative cost					(360,785)
Marketing Cost					(32,749)
Profit before tax					**546,071**

Segment assets and liabilities- 31 December 2020

Non-current assets	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property,plant and equipment	338,083	256,220	202,881	30,413	7,964	835,562
Intagible assets	-	-	-	-	-	-
Prepayment (Due after one year)		-	-	-	-	-
Current assets	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Inventory	2,596,117	893,110	1,127,308	70,823	409,584	5,096,943
Trade and other receivables	314,061	9,145	19,026	12,739	100	355,071
Refund assets	10,147	-	-	-	-	10,147
Prepayments	25,170	388	36,018	82	102	61,759
Other financial asset	20,668	-	-	-	-	20,668
Cash and cash equivalents	91,689	2,196	81	4	21	93,991
	3,057,852	**904,839**	**1,182,433**	**83,648**	**409,807**	**5,638,579**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
Current liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade and other payables	2,121,138	63,462	82,829	17,576	47,994	2,332,999
Short- term borrowings	1,993,367	-	-	-	-	1,993,367
Refund liabilities	11,194	-	-	-	-	11,194
Dividend payable	20,768	-	-	-	-	20,768
Current tax payable	43,034	-	-	-	-	43,034
	4,189,501	**63,462**	**82,829**	**17,576**	**47,994**	**4,401,362**

In the year under review, unallocated operating income and expenses mainly constitute head office other income,administrative and marketing costs. These are considered corporate and are not allocated to any segments expenses. Interest expenses are allocated based on investment in inventory acquired for each mills.

6. Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and retained earnings attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 60% and a minimum B credit rating. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

		2021	2020
		₦'000	**₦'000**
Trade and other payables	21	716,517	2,332,999
Interest-bearing loans and borrowin|	23	7,452,074	1,993,367
Cash and short term deposit (Note 19)		(342,611)	(93,991)
Net debt		**7,825,980**	**4,232,375**
Total capital: Equity		2,502,475	2,072,778
Capital and net debt		**10,328,455**	**6,305,153**
Gearing ratio		**76%**	**67%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

7. Expense by Nature

	2021	2020
	₦'000	₦'000
7(i). Cost of sales		
Change in inventories of finished goods and work in progress	12,313,144	9,288,497
Salaries and other staff benefit*	315,969	262,170
Business travelling & entertainment expenses	13,551	10,569
Business Entertainment Expenses	4,141	2,312
Electricity and power	72,672	53,258
Depreciation of property,plant & equipment (Note 14)	156,531	144,753
Amortisation of intangible assets (Note 15)	543	-
Rent**	50,311	44,084
Security expenses	19,908	20,545
Local repair and renewal	40,458	26,457
Laboratory expenses	4,251	3,842
Vehicle repairs expenses	709	706
Sundry vehicle expenses	1,494	1,188
Cleaning & Sanitation	5,084	4,709
Office Stationery & Printing	3,327	1,915
Rates	2,245	3,241
Subscription	6,448	2,377
Internet Charges/IT licencing renewal	1,356	3,123
Other expenses ***	49,952	19,964
Total cost of sales	**13,062,094**	**9,893,710**

*** Other expenses includes research and development, uniforms, telephone expenses, postal services and computer charges which were incurred by the Company during the year.
*Salaries & Other benefits includes Employer Pension for the year (N7,442,235), (2020: N6,193,064)

** Rent represents amount amortised on short-term lease of warehouses during the year.

7(ii). Selling and distribution	**₦'000**	**₦'000**
Salaries and other staff benefit*	88,452	73,059
Business travelling expenses	18,569	12,572
Distribution expenses	36,294	206,000
Corporate gifts/marketing investment	31,610	20,048
Depreciation of property,plant & equipment (Note 14)	2,349	427
Electricity and Power	534	412
Office Stationery and Printing	-	11
Local repair and renewal	60	155
Advertisement and Publicity	-	120
Vehicle repairs,maintenance & fueling	3,643	2,634
Internet Charges/IT licencing renewal	5	63
Other expenses ***	265	1,222
	181,781	**316,723**

*** Other expenses include all other expenses that are related to selling & distribution but not stated above such as, Miscellaneous/ sundry expenses, research and development, subscription etc which were incurred during the year.

* Salaries & other benefits include Employer's Pension (N3,802,543) (2020: N2,884,267).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

7(iii). Administrative expenses	Note	₦'000 2021	₦'000 2020
Salaries and other staff benefit*		166,864	119,543
Consultancy		22,271	24,931
Auditor's fee		10,863	9,500
Subscription		7,176	4,613
Corporate Public Relations	27(ii)a	24,201	16,262
AGM expenses		5,968	5,475
Internet/e-mail charges		56,010	16,349
Depreciation of property,plant & equipment (Note 14)		6,674	9,126
Amortisation of intangible assets (Note 15)		-	36
Insurance		18,963	16,335
Management service fees (Note 28)		144,859	111,539
Bank charges		12,635	8,861
Business travelling & entertainment		7,097	5,686
Electricity & Power		3,918	3,021
Cleaning & Sanitation		376	143
Security expenses		710	708
Office stationery & printing		759	1,042
Local repairs & renewal		1,399	778
Rent**		464	464
Legal expenses		490	620
Advertisement & Publicity		919	691
Vehicles repairs, maintenance & fueling		1,467	1,771
Other expenses ***		7,592	3,291
		501,675	**360,785**

*** Other expenses that are related to administrative expenses but not stated above such as Miscellaneous/ sundry expenses,subscription, computer charges etc which were incurred during the year.

*Salaries & Other benefits include Employer's Pension (N6,491,913), (2020: N4,853,585).

8. Other operating income		2021 ₦'000	2020 ₦'000
Sales of sacks		17,352	11,216
Laboratory income *		920	890
Weighing income**		822	678
Sales of scrap		1,638	868
(Loss)/Gain on disposal of property,plant and equipment		(9,817)	3,176
(Loss) on Realized foreign currency revaluation		(493)	-
Registration fees		1,190	1,106
Dividend Income		306	286
ITF refund		1,996	1,309
Insurance claim		2,125	-
Government grant***(Note 23.1)		-	66,212
Total other operating income	-	**16,039**	**85,740**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

* The Company has Laboratories in Ikeja mill and Aba mill where third parties come for Lab analysis and pay for this service.
** Third parties made use of Livestock feeds Plc weighbridge to weigh their trucks and goods in Ikeja mill and Onitsha operation during the year.
*** Government grant is the savings made on interest paid on facilities obtained from Central Bank of Nigeria through Union Bank Plc which is Federal government agriculture intervention fund (CACS). The CACS has been fully liquidated on 9th November 2020. The facility was obtained at an interest rate of 8% as against prevailing 16% commercial rate. The CACS fund was further reduced to 5% interest rate in March 2020 this was in line with CBN circular issued in February 2020. This was a policy by the CBN in reponse to COVID 19 outbreak and spillovers.

	2021	2020
9. Investment income	**₦'000**	**₦'000**
Interest income on short-term bank deposits	534	-
Interest Income - Unclaimed Dividend	149	302
	683	**302**

10. Finance cost

	2021	2020
Interest on loans	(298,449)	(73,878)
Government grants	-	(66,212)
	(298,449)	**(140,090)**

11. Profit before taxation

Profit before taxation is stated after charging:

	2021	2020
Amortisation of intangible assets (Note 15)	543	36
Depreciation (Note 14)	165,552	154,306
Auditors remuneration (Note 7(iii))	10,863	9,500
Staff cost	571,285	454,772

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

12. Taxation

(i) Income tax expense

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	2021 ₦'000	2020 ₦'000
Current tax expense:		
Education tax charge	20,203	14,936
Police trust fund levy	28	-
	20,231	14,936
Deferred tax:		
Relating to origination and reversal of temporary differences		
Charge for the year	42,004	-
Income tax charge	**62,235**	**14,936**

(ii) Reconciliation of the effective tax rate

	2021 ₦'000	2020 ₦'000
Profit before income tax	565,133	546,071
Income tax using statutory tax rate	169,540	163,821
Education tax at 2.5% of assessable profit	14,128	14,936
Investment allowance	427	-
Effect of income that is exempt from taxation	-	3,764
Non deductible expenses	(1,262)	-
Impact of tax credit/losses not recognised	(123,683)	(167,585)
Others	3,085	-
Income tax recognised in profit or loss	**62,235**	**14,936**
Effective income tax rate	**11%**	**3%**

(iii) Movement in deferred tax balance

	Balance as at 1 January 2021 ₦'000	Recognised in profit or loss ₦'000	Balance as at 31 December 2021 ₦'000
Property, plant and equipment	-	122,386	122,386
Unrealised exchange difference	-	(130)	(130)
Unutilised capital allowances	-	(13,999)	(13,999)
Provisions	-	(66,253)	(66,253)
	-	42,004	42,004

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

The Company had a deferred tax liabilities of N42 million (2020: The Company has not recognised deferred tax assets of N123 million in respect of deductible temporary differences due to uncertainties relating to the timing and amount of future taxable profits).

	2021	2020
	₦'000	**₦'000**
Deferred tax reflected in the statement of financial position as follows:		
Deferred tax assets	-	-
Deferred tax liabilities	42,004	-
Deferred tax liabilities/(assets)	**42,004**	**-**

	2021	2020
	₦'000	**₦'000**
(iv) Movement in current tax liabilities		
As of 1 January	43,034	6,427
Income tax expense for the year	20,231	14,936
Minimum tax	73,201	27,948
Payment during the year	(41,160)	(6,277)
WHT credit notes utilized during the year	(1,715)	-
As at 31 December	**93,591**	**43,034**

(v) Minimum tax
Minimum tax in current year has been computed based on 0.5% of turnover in line with the Finance Act 2021 and the charge for the year amounts to N73.2 million (2020: N27.9 million).

13. Earnings per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year adjusted for any dilutive or potentially dilutive instruments.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2021	2020
	₦'000	**₦'000**
Earnings attributable to ordinary equity holders for basic earnings	429,697	503,187
	Thousands	**Thousands**
Average number of ordinary shares for basic EPS	2,999,999	2,999,999
Basic earnings per share (Kobo)	14.32	16.77
Diluted earnings per share (Kobo)	14.32	16.77

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

14a. Property, plant and equipment

	Leasehold Land	Building	Machinery & Equipment	Motor Vehicles	Office Equipment	Computer equipment	Capital work in progress	Total
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
1 January 2020	75,000	316,836	947,857	155,526	36,264	40,016	197,765	1,769,264
Additions	-	903	7,198	-	1,842	5,468	116,190	131,600
Disposal	-	-	(4,171)	(16,690)	-	(233)	-	(21,094)
Reclassification	-	3,947	19,892	6,880	-	-	(30,719)	-
31 December 2020	**75,000**	**321,686**	**970,776**	**145,716**	**38,106**	**45,251**	**283,236**	**1,879,770**
Additions	-	3,220	14,237	2,903	6,259	8,520	95,816	130,955
Disposal	(75,000)	(51,565)	(2,658)	(20,918)	(1,981)	(1,818)		(153,939)
Reclassification	-	1,757	71,886	19,599	12,992		(106,235)	-
31 December 2021	**-**	**275,098**	**1,054,241**	**147,300**	**55,376**	**51,953**	**272,817**	**1,856,786**
Accumulated depreciation								
1 January 2020	**64,488**	**152,290**	**516,570**	**116,300**	**26,620**	**34,333**	**-**	910,601
Depreciation charge for the year	8,411	10,039	107,165	18,887	4,688	5,116	-	154,306
Disposal	-	-	(3,849)	(16,620)	-	(230)		(20,699)
31 December 2020	**72,899**	**162,329**	**619,886**	**118,567**	**31,308**	**39,219**	**-**	**1,044,208**
Depreciation charge for the year	2,101	9,781	121,623	21,853	5,363	4,831	-	165,552
Disposal	(75,000)	(27,132)	(2,553)	(20,918)	(1,980)	(1,818)	-	(129,402)
31 December 2021	**-**	**144,978**	**738,955**	**119,502**	**34,691**	**42,232**	**-**	**1,080,358**
Net book value								
At 31 December 2021	**-**	**130,120**	**315,286**	**27,798**	**20,685**	**9,721**	**272,817**	**776,428**
At 31 December 2020	**2,101**	**159,356**	**350,890**	**27,149**	**6,798**	**6,032**	**283,236**	**835,562**

There was no existence of restrictions on the title to the Company's Property plant and equipment. No asset was pledged as securities for liabilities during the year (2020: Nil). No contractual commitment on any of the Company's Property, plant and equipment.

14b.Analysis of Capital WIP into asset classes:

	2021	2020
	₦'000	₦'000
Buildings	259,978	214,223
Machinery and Equipment	390	55,374
Office Equipment	183	10,684
Computer Hardware	12,266	-
Motor Vehicle	-	2,955
	272,817	**283,236**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

15. Intangible assets

(i)'Computer software with definite useful life	**2021 ₦'000**	**2020 ₦'000**
Cost:		
At 1 January	13,069	13,069
Additions**	1,955	-
At 31 December	**15,024**	**13,069**
Amortisation		
At 1 January	13,069	13,033
Amortisation	543	36
At 31 December	**13,612**	**13,069**
Carrying value	**1,412**	**-**

Computer software consists of acquisitions costs of software used in the day-to-day operations of the Company.

** This relates to cost of acquiring software used for formulation of recipes for our products

(ii)Capital work in progress-intangibles

	2021 ₦'000	**2020 ₦'000**
Cost:		
At 1 January	-	-
Additions	33,439	-
At 31 December	**33,439**	-
Amortisation		
At 1 January	-	-
Amortisation	-	-
At 31 December	-	-
Carrying value	**33,439**	**-**

This relates to cost incurred till date on our new accounting software(SAP S4 HANA) that is still under development.

(iii) Reconciliation of additions to Intangible assets in the Statement of Cashflows	**2021 ₦'000**	**2020 ₦'000**
Additions to Computer Software	1,955	-
Additions to Software under development	33,439	-
Additions per Statement of Cashflows	35,394	-

16. Inventories	**2021 ₦'000**	**2020 ₦'000**
Raw materials	7,373,621	4,519,420
Finished goods	225,486	120,620
Vet Drugs	495,425	397,460
Engineering spares	57,341	48,301
Diesel	6,688	3,955
Inventory with third party for conversion **	422,349	6,719
Other consumables	733	468
	8,581,643	**5,096,943**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

During 2021, there was no write off of Inventories by the Company (2020: Nil), In addition, the Company recognised N12,309,858,019 (2020: N9,288,495,675 as an expense for inventories carried at net realisable value). These are recognised in the cost of sales.
** Inventory with third party for conversion represents the value of the Company's inventory item of raw soya seed with Slabmark Nigeria Ltd for conversion of raw soya seeds to Soya bean meal and other raw materials (Maize,Soya Beans etc) at Northern Rice Oil Mills Ltd Warehouse in Kano for the Production of Animal Feeds.

17. Trade and other receivables

	2021 ₦'000	2020 ₦'000
Receivables from third-party customers	181,680	123,727
Advance payments to suppliers*	926,299	310,764
Allowance for expected credit losses	(139,681)	(91,823)
	968,298	342,668
Related Parties(Note 24)	6	-
Other receivables	13,808	23,655
	982,112	366,323
Refund asset	3,327	10,147
	985,439	**376,470**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. For terms and conditions relating to related party receivables, refer to Note 24.

*Advance payments to suppliers relates to cash deposit to the suppliers of raw materials used in production of animal feeds.

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2021 ₦'000	2020 ₦'000
As at 1 January	(91,823)	(83,832)
Addition to expected credit losses	(47,858)	(7,991)
		-
At 31 December	**(139,681)**	**(91,823)**

The information about the credit exposures are disclosed in Note 26.4.

Financial asset measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's Internal and internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company’s grading system are explained in Note 26.4 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 26.4.

Financial assets measured at amortised cost	**2021**		**2020**
Internal grading system	***Stage 1 Individual N'000***	***Simplified Model Collective N'000***	***Total N'000***
Standard grade	-	181,680	123,727
	--------------	--------------	--------------
	-	**181,680**	**123,727**
	========	========	========

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Financial assets measured at amortised cost

	Stage 1 Individual	*Simplified Model Collective*	*Total*
	N'000	*N'000*	*N'000*
ECL allowance as at 1 January 2021	-	(91,823)	(83,832)
New assets originated or purchased	-	(47,858)	(7,991)
	-	**(139,681)**	**(91,823)**

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

(In thousands of naira)	**2021**	**2020**
As at 1 January	10,147	7,361
Amount deferred as a result of unexpired rights	3,327	10,147
Cost of sales recognized in the period from:		
Expired right not exercised	(10,147)	(7,361)
As at 31 December	**3,327**	**10,147**

18(i). Prepayments

	2021	**2020**
Due within one year	**₦'000**	**₦'000**
Others**	21,169	12,769
Short-term lease prepayments Note 18.1	36,754	18,975
Insurance	23,224	18,763
	81,147	**50,507**

Reconciliation of Prepayment		
As at 1 January	50,507	84,314
Additions	228,383	105,612
Amortization	(197,743)	(139,419)
As at 31 December	**81,147**	**50,507**

**Others relates to SAP licence fee, ODOO licence fee, internet services etc during the year.

	2021
The following are the amounts recognised in profit or loss:	**₦'000**
Expense relating to short-term leases (included in Cost of sales and administrative expenses)	50,774
	50,774

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

18(ii) Short-term lease prepayments

These were lease payment for Warehouse made during the year for a lease period of one year i.e expired on 30 June 2022. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company applies the short-term lease recognition exemption for these leases.

Short-term lease prepayment consist of unamortised portion of short-term leases. Short-term leases are leases that, at the commencement date, have a lease term of 12 months. The lease payment is expensed over the lease term on a straight-line basis. It represents payment made in advance for rent, insurance, car grant etc. on assets.

18(iii) ROU Assets

Rent	8,333	-
	8,333	**-**

This relates to lease payment for Kano Warehouse made during the year for a lease period of two years and it is not stated in the lease agreement that the warehouse will be renewed i.e expired on 31 October 2023. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

19. Cash and short term deposit

	2021	**2020**
	₦'000	**₦'000**
Cash on hand	41	70
Cash at banks	186,450	93,921
	186,491	**93,991**

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

19.1. Call deposit

Short term deposit with First Bank of Nigeria Ltd	156,120	-
	156,120	**-**

Call deposit relates to proceeds from shares issued in 2017. It was stated in the rights circular that N290,488,415 will be utilised for the development of new site in Sagamu. The sum of N156.12m is the untilised fund as at December 31 2021 which has been invested in an interest yielding account.

19.2. Other financial asset(Unclaimed dividend funds)

Short term deposit*	17,283	20,668
	17,283	20,668

* Short term deposit relates to 90% of unclaimed dividend returned by the registrar of the Company. The amount was put in short term fixed deposit account by the Company. This is in compliance with the directives of the Nigeria Securities and Exchange Commission.

19.3.Interest Income earned on Unclaimed dividend funds till date

Interest earned	4,195	4,046
	4,195	4,046

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and short term deposits as included below.

	2021	**2020**
	₦'000	**₦'000**
Cash on hand, cash at bank and short term deposit	342,608	93,991

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

20. Issued capital and reserves	**₦'000**	**₦'000**
Authorised shares		
4,000,000,000 ordinary shares of 50Kobo each	2,000,000	2,000,000
Ordinary shares issued and fully paid		
2,999,999,418 ordinary shares of 50kobo each	1,500,000	1,500,000
Share premium		
At 1 January	693,344	693,344
At 31 December	693,344	693,344

21. Trade and other payables

Trade payables	373,581	1,607,808
Related parties (Note 24)	26,191	503,007
Other payables (Note 21.1)	316,745	222,184
	716,517	2,333,000
Refund liabilities (Note 21.2)	3,690	11,194
	720,207	**2,344,194**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- For terms and conditions with related parties, refer to Note 24

For explanations on the Company's liquidity risk management processes, refer to Note 26.4.

21.1 Other payables	**2021**	**2020**
	₦'000	**₦'000**
VAT payable	290	190
Accrued liabilities	297,949	206,871
WHT payable	9,447	10,793
PAYE	4,076	338
ITF	4,991	3,992
Pension	(8)	-
	316,745	222,184
21.2 Refund liabilities		
Refund liabilities	3,690	11,194
	320,435	**233,378**

Refund liabilities

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

(In thousands of naira)	**2021**	**2020**
As at 1 January	(11,194)	(7,991)
Amount deferred as a result of unexpired rights	(3,690)	(11,194)
Revenue recognized in the period from:		
Expired right not exercised	11,194	7,991
As at 31 December	**(3,690)**	**(11,194)**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

Net refund liabilities consist of the following at December 31:

(In thousands of naira)	2021	2020	Change	Change
Refund assets	**3,327**	10,147	**(6,820)**	**-67%**
Refund liabilities	**(3,690)**	**(11,194)**	**7,504**	**-67%**
Net refund liabilities	**(363)**	**(1,047)**	**684**	**-65%**

22. Dividend payable

Amounts recognised as dividend payable to ordinary shareholders in the year comprise:

	2021 ₦'000	2020 ₦'000
As at 1 January	(20,768)	(20,768)
Dividend paid	3,384	-
As at 31 December	(17,384)	(20,768)

23. Interest-bearing loans and borrowings

Borrowings -Current	2021 ₦'000	2020 ₦'000
Commercial Loan-FBN	5,652,074	1,993,367
Commercial Loan-ZBN	1,800,000	-
	7,452,074	**1,993,367**

Reconciliation of interest-bearing loans and borrowings		
As at 1 January	1,993,367	955,273
Additions	7,734,103	2,293,367
Initial fair value of grant	-	(16,104)
Interest charged	298,449	140,090
Repayments	(2,573,845)	(1,379,259)
As at 31 December	**7,452,074**	**1,993,367**

Maturity		
0 - 1 year	**7,452,074**	**1,993,367**
Over 1 year	**-**	**-**
Total	**7,452,074**	**1,993,367**

The Company also drew down between November and December 2020 N1.993 billion out of the N2 billion commercial loan granted by FBN at 9% interest rate. This facility is repayable within 270 days.The entire N1.993b was liquidated between August and September 2021 though the facility has been enhanced to N5 billion at 11.5% interest rate and N3.934billion has been utilised as at December 2021.The Company also got N2billion bridging facility from FBN at 11.5% pending the disbursement of DCRR by CBN out of which N359.43 million has been liquidated. In February 2021, N500 million facility at 10% interest rate and another N200m fality at 12% in July 2021 ,N500m at 13%, N300m at13% in August 2021 and another N300m at 13% in September 2021 were disbursed by Zenith bank out of the N2 billion facility granted. The total facility disbursed by Zenith bank is now N1.8b all running at 13% interest rate.

The security for these facilities is letter of awareness from UACN Plc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

24. Related party disclosures

The immediate and ultimate parent, as well as controlling party of the Company is UAC of Nigeria Plc incorporated in Nigeria. There are other companies that are related to Livestock Feeds Plc through common shareholdings and directorship. The following table provides the total amount of transactions that have been entered into with related parties during the year.

As at 31 December 2021	Management service fees ₦'000	Purchases from related parties ₦'000	Sales to related parties	Amounts owed by related parties ₦'000	Amounts owed to related parties ₦'000
Entity with control over the Company:					
UAC of Nigeria Plc	144,859	36,092		-	23,908
Other related party					
UAC Foods Ltd				6	
Grand Ceareal Nigeria Limited	-	1,896,384	1,149,321	-	2,282
	144,859	**1,932,476**	**1,149,321**	**6**	**26,191**
As at 31 December 2020					
Entity with control over the Company:					
UAC of Nigeria Plc	111,539	10,225		-	31,852
Other related party:					
UAC Foods Ltd					
Grand Cereal Nigeria Limited	-	2,562,433	784,728	-	471,156
	111,539	**2,572,658**	**784,728**	**-**	**503,008**

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

25. Commitments and contingencies

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.

Legal claim contingency

There is no contigent liabilty arising as a result of legal litigation as at year end.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

26. Financial assets and financial liabilities

26.1 Financial assets

	2021 ₦'000	2020 ₦'000
Cash and short term deposit (note 19)	342,608	93,991
Trade and other receivables (Note 17)	982,112	366,323

26.2 Financial liabilities

Financial liabilities at amortised cost	2021 ₦'000	2020 ₦'000
Borrowing (Note 23)	(7,452,074)	(1,993,367)
Trade and other payables (Note 21)	(706,780)	(2,322,017)

Trade and other payables here exclude VAT and withholding tax payable

26.3 Fair values

The carrying value of all financial assets and financial liabilities is a reasonable approximation of their fair value due to their current nature and the consequent insignificant of discounting no further fair value disclosures have been made.

26.4 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables and Borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, and cash and bank balances that it derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the audit and governance committee of the Board that advises on risks and the appropriate risk governance framework for the Company. The audit and governance committee of the Board provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting Sensitivity analysis	Contractual agreements on exchange rates
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate negotiations
Credit risk	Cash and cash equivalents, trade receivables.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit. Investment guidelines and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	]	Availability of committed credit lines and borrowing facilities.

26.4 Financial instruments risk management objectives and policies - Continued

Market risk

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not expose to this risk as the Company has no long-term debt obligations at variable rates and does not account for any fixed rate instruments at fair value through profit or loss.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity reserve and cash and bank balances (Note 19) on the basis of expected cash flows.

This is generally carried out at each of the respective mills in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2021	On demand ₦'000	Less than 3months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Trade and other payables	-	669,794	27,927		-	697,721
Interest-bearing loans and borrowings		5,459,970	1,992,104			7,452,074
	-	6,129,764	2,020,031	-	-	8,149,795

Year ended 31 December 2020	On demand ₦'000	3months 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Trade and other payables	-	2,317,686	-	-	-	2,317,686
Interest-bearing loans and borrowings		1,993,367				1,993,367
	-	4,311,053	-	-	-	4,311,053

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company's exposure to foreign currency risk at the end of the reporting period expressed in the individual foreign currency unit was as follows:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

		2021		2020
Cash and short term deposits				
Euro	€	379	€	379
United State Dollar (USD)	$	17,936	$	15,826
Pound sterling	£	450	£	450

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.The Company's exposure to foreign currency changes for all other currencies is not material.

31 December 2021		31 December 2020	
Change in USD rate	Effect on profit before tax	Change in USD rate	Effect on profit before tax
	₦'000		₦'000
+10%	569	+10%	546
-10%	(569)	-10%	(546)

26.4 Financial instruments risk management objectives and policies - Continued

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to related parties and to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties with a minimum national rating of 'A' are accepted.

There is no independent rating for customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The credit ratings of the investments are monitored for credit deterioration.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

(ii) Security

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. However, some customers are required to provide postdated cheques for credit transactions while others are granted credit on the strength of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. There are no credit ratings for Livestock feeds plc trade and other receivables. Credit ratings from Global Credit Rating Co. (GCR) are highlighted below:

	2021	2020
	₦'000	₦'000
Cash at bank and short-term bank deposits A+(nga)	342,570	114,589
Unrated cash and cash equivalents	41	70
Unrated trade and other receivables	982,112	366,323
Maximum credit exposure	**1,324,723**	**480,982**

(iii) Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several states, unrelated and diverse.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the year ended 31 December 2021

26.4 Financial instruments risk management objectives and policies - continued

Impairment allowance for financial assets

In assessing the Company's internal rating process, the Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

• Any publicly available information on the Company's customers and counter parties from Internal parties. This includes Internal rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.

• Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.

• Any other objectively supportable information on the quality and abilities of the client's management relevant for the Company's performance.

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

26.4 Financial instruments risk management objectives and policies - continued

Set out below is the information about the credit risk exposure on the Company's trade and other receivables using a provision

	Days past due					
31-Dec-21	**Current ₦'000**	**<90 days ₦'000**	**90–180 days ₦'000**	**180–360 days ₦'000**	**>360 days ₦'000**	**Total ₦'000**
Expected credit loss rate	28.04%	54.18%	66.67%	75.77%	100.00%	
Estimated total gross carrying amount	32,228	15,315	4,656	42,247	87,235	181,680
Expected credit loss	(9,036)	(8,297)	(3,104)	(32,009)	(87,235)	(139,681)

31-Dec-20	**Current ₦'000**	**<90 days ₦'000**	**90–180 days ₦'000**	**180–360 days ₦'000**	**>360 days ₦'000**	**Total ₦'000**
Expected credit loss rate	0.16%	0.16%	27.42%	100.00%	100.00%	
Estimated total gross carrying amount	11,519	12,679	10,669	19,199	69,661	123,727
Expected credit loss	(18)	(20)	(2,924)	(19,199)	(69,661)	(91,823)

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

In thousands of Naira	**2021 ₦'000**	**2020 ₦'000**
Balance as at 1 January 2021	(91,823)	(83,832)
Additional expected credit losses	(47,858)	(7,991)
Balance at 31 December	**(139,681)**	**(91,823)**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

27.(i) Staff numbers and costs
The table below shows the number of employees (excluding directors), who earned over N500,000 as emoluments in the year and were within the bands stated.

	2021	2020
Staff Numbers by function	**Number**	**Number**
Direct	50	49
Admin	13	13
Sales & Marketing	21	19
	84	81

N500,000-N600,000	-	2
N600,001-N700,000	2	1
N700,001-N800,000	1	2
N800,001-N1,0000,000	7	5
N1,000,001-N1,200,000	5	5
N1,200,001-N1,300,000	-	1
N1,300,001- N1,500,000	1	23
Above N1,500,000	68	42
	84	81

Staff costs for the above persons (excluding Non-Executive Directors):

	2021	2020
	₦'000	**₦'000**
Salaries and wages	553,548	444,632
Pension cost	17,737	10,140
	571,285	**454,772**

(ii) Emoluments of Non-Executive Directors

	2021	2020
	₦'000	**₦'000**
(a) Fees	1,050	420
Passage Allowance	13,000	6,585
Other Emoluments	10,131	9,506
	24,181	**16,511**
(b) The Chairman's Emoluments	3,970	1,907

(iii) Key management compensation
Key management have been defined as the managing director and executive committee members

	2021	2020
	₦'000	**₦'000**
Key management compensation includes:		
Short-term employee benefits:		
Wages and salaries-Managing Director	26,147	19,167
Wages and salaries-Executive Committee Members	44,906	33,843
	71,053	**53,010**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2021

28. Technical support agreements

The Company has commercial services agreement with UACN Plc for support services. Expense for management services fee (representing 1% of turnover of the Company) is N144.86million (2020: N111.54million).

29. Events after the reporting period

There were no events after the reporting date that require adjustment in the financial statements of the Company that had not been adequately provided for or disclosed in the financial statements.

30. Securities trading policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Livestock Feeds Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

31. Provision of Audit and non-audit Services

In compliance with FRC Rule No 3 mandating the disclosure of the value and the nature of the audit and non-audit services provided by Company's external auditor, Livestock Feeds Plc appointed KPMG Professional Services as a replacement for the the Company's former external auditor Ernst and Young who resigned her appointment in April 2021. Prior to KPMG Professional Services taking up this appointment, the firm was our Internal auditor.

32. Livestock Feeds Plc-Free Float Computation

Company Name:	Livestock Feeds Plc
Board Listed:	Main Board
Period End:	December 31
Reporting Period:	31 December 2021
Share Price at end of reporting period:	N2.22(2020: N0.74)

Shareholding Structure/Free Float

Description	31-Dec-21		31-Dec-20	
	Units	Percentage	Unit	Percentage
Issued Share Capital	2,999,999,418	100%	2,999,999,418	100%
Substantial Shareholdings(5% and above)				
UAC of Nigeria Plc	2,198,745,772	73.29%	2,198,745,772	73.29%
Total Substantial Shareholdings	2,198,745,772	73.29%	2,198,745,772	73.29%
Directors' Shareholdings(direct and indirect)				
Mr. Joseph Dada	-	-	-	-
Mr. Adebolanle Badejo	-	-	-	-
Mr. Adegboyega Adedeji	-	-	-	-
Mrs. Bolarin Okunowo	-	-	-	-
Mr. Daniel Obaseki	-	-	-	-
Mr Abayomi Adeyemi	-	-	-	-
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	801,253,646	26.71%	801,253,646	26.71%
Free Float in Value	N1,722,695,338.90		N1,113,742,567.94	

Declaration:
(A) Livestock Feeds Plc with a free float percentage of 26.71% as at 31 December 2021, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

VALUE ADDED STATEMENT
As at 31 December

	2021 ₦'000	%	2020 ₦'000	%
Revenue	14,640,268		11,179,328	
Other income	(16,039)		(85,740)	
Finance income	(683)		(302)	
	14,623,546		11,093,285	
Bought in services				
- Foreign	(7,882,674)		(5,895,575)	
- Local	(5,255,116)		(3,930,383)	
Total Value added	1,485,757		1,267,327	
Applied as follows:				
Employees				
Salaries and other labour related benefits	571,285	38	454,772	36
Lenders				
Interest expense	298,449	20	140,090	11
Government				
Taxation	20,231	2	14,936	1
Retained in the Business				
Depreciation and amortisation	166,095	11	154,342	12
Profit for the year	429,697	29	503,187	40
	1,485,757	100	1,267,327	100

Five Year Financial Summary
As at 31 December

Assets	**2021**	**2020**	**2019**	**2018**	**2017**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-current assets	819,612	835,562	858,700	996,921	1,088,159
Current assets	10,008,123	5,638,578	3,175,210	2,947,498	4,172,565
Total assets	**10,827,735**	**6,474,140**	**4,033,910**	**3,944,419**	**5,260,724**
Equity					
Issued capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Share premium	693,344	693,344	693,344	693,344	693,344
Revenue reserve	309,131	(120,566)	(623,752)	(730,104)	(95,407)
Total equity	**2,502,474**	**2,072,778**	**1,569,592**	**1,463,240**	**2,097,937**
Liabilities					
Non-current liabilities	42,004	-	-	-	147,081
Current liabilities	8,283,256	4,401,362	2,464,318	2,481,179	3,015,706
Total liabilities	8,325,260	4,401,362	2,464,318	2,481,179	3,162,787
Total equity and liabilities	**10,827,734**	**6,474,140**	**4,033,910**	**3,944,419**	**5,260,724**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021	**2020**	**2019**	**2018**	**2017**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Revenue	14,640,268	11,179,328	9,955,222	7,834,018	10,188,513
Profit/(loss) before minimum taxation	565,133	546,071	112,630	(761,227)	(725,803)
Minimum tax	(73,201)	(27,948)			-
Profit/(loss) before taxation	491,932	518,123	112,630	(761,227)	(725,803)
Taxation	(62,235)	(14,936)	(6,277)	140,916	-
Profit for the year	429,697	503,187	106,353	(620,311)	(725,803)