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
I, Henry Carr Street,
P.M.B. 21097, Ikeja
Tel: 08077281527

ABA MILL
12, Industrial Layout
P.M.B. 7119, Aba
Tel: 08077261492

NORTHERN OPERATIONS
Km l7 Zawan Roundabout
Zawan, Jos South
Plateau State
Tel: 0807 7281465

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

AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2022

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CORPORATE INFORMATION

Directors			
	Mr. Joseph Dada	Nigerian	Chairman
	Mr. Adegboyega Adedeji	Nigerian	Managing Director
	Mr. Peter Mombaur	German	Non Executive Director
	Mrs Temitope Omodele	Nigerian	Non Executive Director
	Mr. Abayomi Adeyemi	Nigerian	Non Executive Director (Independent)
	Mr. Adebolanle Badejo	Nigerian	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.

Tax Identification Number: 00683481-0001

Directors' report
For the year ended 31 December 2022

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 2022.

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.

Directors

The Directors who held office during the year and to the date of this report were:

Mr. Joseph Dada	Nigerian	Chairman
Mr. Adegboyega Adedeji	Nigerian	Managing Director
Mr. Peter Mombaur	German	Non Executive Director (Appointed w.e.f 22 April 2022)
Mrs Temitope Omodele	Nigerian	Non Executive Director (Appointed w.e.f 26 October 2022)
Mr. Abayomi Adeyemi	Nigerian	Non Executive Director (Independent)
Mr. Adebolanle Badejo	Nigerian	Non Executive Director
Mr.Daniel Obaseki	Nigerian	Non Executive Director (Resigned w.e.f 22 April 2022)

Result for the year

The Company's result for the year ended 31 December 2022 are shown on page 13. The loss for the year of (N822.22) million has been transferred to retained earnings. The summarised results are presented below.

	2022 ₦'000	2021 ₦'000
Revenue	16,410,221	14,640,268
Gross profit	696,394	1,578,174
(Loss)/profit before minimum taxation	(781,392)	565,133
Minimum tax expense	(82,830)	(73,201)
(Loss)/profit after minimum taxation	**(864,222)**	**491,932**
Income tax credit/ (expense)	42,004	(62,235)
(Loss)/profit for the year	**(822,218)**	**429,697**

Dividend

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2022 (2021: 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 2022.

	2022		2021	
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 2022 (2021,nil).

Analysis of shareholding

According to the register of members, the below is the analysis of shareholders of the Company as at 31 December 2022 and 2021.

2022	Holders	Holdings	% Holdings	Nominal value of shares (N)
Other corporate entities	734	2,348,133,492	78.27	1,174,066,746
Other Managed funds	29	9,259,311	0.31	4,629,656
Local Government	1	335,050	0.01	167,525
Individuals	18,984	637,842,278	21.26	318,921,139
Foreign shareholders	73	4,429,171	0.15	2,214,586
Insurance Companies	1	116	0.00	58
Total	**19,822**	**2,999,999,418**	**100**	**1,499,999,710**

2021	Holders	Holdings	% Holdings	Nominal value of shares (N)
Other corporate entities	734	2,348,133,492	78.27	1,174,066,746
Other Managed funds	29	9,259,311	0.31	4,629,656
Local Government	1	335,050	0.01	167,525
Individuals	18,984	637,842,278	21.26	318,921,139
Foreign shareholders	73	4,429,171	0.15	2,214,586
Insurance Companies	1	116	0.00	58
Total	**19,822**	**2,999,999,418**	**100**	**1,499,999,710**

Directors' report
For the year ended 31 December 2022

Below is the range analysis as at 31 December 2022

Number of Holders	Number of Holders	% of Holders	Holdings	% Holdings
1 - 1000	4,452	22.46	2,186,544	0.07
1001 - 10000	8,697	43.88	44,116,021	1.47
10001 - 50000	4,696	23.69	112,575,684	3.75
50001 - 100000	994	5.01	77,381,814	2.58
100001 - 500000	734	3.70	161,304,055	5.38
500001 - 1000000	114	0.58	84,573,376	2.82
1000001 - 5000000	123	0.62	237,367,064	7.91
5000001 - 10000000	10	0.05	67,964,338	2.27
10000001 - 2999999418	2	0.01	2,212,530,522	73.75
	19,822	**100.00**	**2,999,999,418**	**100.00**

Below is the range analysis as at 31 December 2021

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**

Property, Plant and Equipment (PPE)

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

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

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

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.

Donations

The Company made no charitable gifts or donation during the year (2021: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.

Post Balance Sheet Events

Except as disclosed in Note 29 of the financial statement, there were no significant developments since the balance sheet date which could have had a material effect on the state of the Company at 31 December 2022 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statement.

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
30th March,2023

Statement of directors' responsibilities in relation to the financial statements
For the year ended 31 December 2022

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the IFRS Standards as issued by the International Accounting Standards Board 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:

Chairman
Mr. Joseph Dada
FRC/2016/APCON/00000014735

Managing Director
Mr. Adegboyega Adedeji
FRC/2020/003/00000021439

Statement of Corporate Responsibility
For the year ended 31 December 2022

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 2022 as follows:

a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2022.

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 2022.

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 2022.

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

Managing Director	**Chief Financial Officer**
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 2022

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 2022 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, 2022 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 2022.

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

Dated 30th March,2023

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 2022;
- 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 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) 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.

<table>
<tr><td colspan="2">Recoverability of Deferred tax assets
See Note 12 to the financial statements

(For the accounting policies and significant accounting judgements and estimates – income taxes, see notes 2.2 and 3 to the financial statements respectively).</td></tr>
<tr><td>Key Audit Matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Company recorded a loss before tax of ₦781 million for the year ended 31 December 2022. This resulted in unutilised tax losses and unabsorbed capital allowances giving rise to a deferred tax assets of ₦194 million as at 31 December 2022.

Management prepared the Company's future taxable profits to assess the recoverability of the deferred tax assets to be recognized, and in the preparation of the forecasts, significant assumptions and judgements were applied.

Recognition of deferred tax assets involves the assessment of its recoverability within the allowed time frame, availability of sufficient taxable income in the future and involves significant judgements in the interpretation of tax positions adopted by the Company. Considering the significant judgement involved in determining the recovery of deferred tax assets, this is considered a Key Audit Matter.</td><td>The following audit procedures were performed among others:

• We obtained and evaluated the Company's plans for profitability and recoverability of the deferred tax asset, including reviewing the profit forecasts and the underlying data used in preparing the forecasts.

• We challenged the key assumptions in the forecast by evaluating the historical forecasting accuracy and comparing the assumptions, such as projected growth rates, with our own expectations of those assumptions based on our knowledge of the industry and our understanding obtained during the audit.

• We reviewed management's justifications for the partial recognition of deferred tax assets.

• We assessed the adequacy, completeness, accuracy and relevance of disclosure requirements in line with IAS 12 Income taxes</td></tr>
</table>

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, Statement of Corporate Responsibility, and Other National Disclosures which we obtained prior to the date of the auditor's 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 identified above 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 on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a 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 IFRS Standards 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:

Omolara O. Ogun, FCA
FRC/2012/ICAN/00000000412
For: KPMG Professional Services
Chartered Accountants
31 March 2023
Lagos, Nigeria

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

	Notes	2022 ₦'000	2021 ₦'000
Revenue from contracts with customers	4	16,410,221	14,640,268
Cost of sales	7(i)	(15,713,827)	(13,062,094)
Gross profit		**696,394**	**1,578,174**
Other operating income	8	153,262	16,039
Selling and Distribution expenses	7(ii)	(219,001)	(181,781)
Expected Credit Loss	17	(4,396)	(47,858)
Administrative expenses	7(iii)	(559,332)	(501,676)
Operating profit		**66,927**	**862,899**
Investment income	9	5,333	683
Finance costs	10	(853,652)	(298,449)
(Loss)/ profit before minimum taxation		**(781,392)**	**565,133**
Minimum tax expense	12(iv)	(82,830)	(73,201)
(Loss)/profit after minimum taxation		**(864,222)**	**491,932**
Income tax credit/(expense)	12(i)	42,004	(62,235)
(Loss)/profit for the year		**(822,218)**	**429,697**
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year, net of tax		**(822,218)**	**429,697**
Earnings per share(kobo)			
Basic earnings for the year attributable to ordinary equity holders	13	(27.41)	14.32
Diluted earnings for the year attributable to ordinary equity holders	13	(27.41)	14.32

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

STATEMENT OF FINANCIAL POSITION
As at 31 December

	Notes	2022	2021
Assets		**₦'000**	**₦'000**
Non-current assets			
Property, plant and equipment	14	865,343	776,428
Intangible assets	15	237,293	34,851
Right of use assets	18(iii)	-	8,333
Total non-current assets		**1,102,636**	**819,612**
Current assets			
Inventories	16	4,910,292	8,581,643
Trade and other receivables	17	905,079	982,112
Refund assets	17	4,683	3,327
Prepayments	18	39,891	81,147
Other financial assets	19.2	17,283	17,283
Cash and cash equivalents	19.3	477,841	342,611
Total current assets		**6,355,069**	**10,008,123**
Total assets		**7,457,705**	**10,827,735**
Equity			
Issued capital	20	1,500,000	1,500,000
Share premium	20	693,344	693,344
(Accumulated Deficits)/Revenue reserves		(513,087)	309,131
Total equity		**1,680,257**	**2,502,475**
Non -current liabilities			
Deferred tax liabilities	12(iii)	-	42,004
Total current liabilities		**-**	**42,004**
Current liabilities			
Trade and other payables	21	2,079,364	716,517
Refund liabilities	21.2	4,924	3,690
Income tax payable	12(iv)	95,791	93,591
Dividend payable	22	17,384	17,384
Interest-bearing loans and borrowings	23	3,575,019	7,452,074
Government Grant	23.1	4,966	-
Total current liabilities		**5,777,448**	**8,283,256**
Total liabilities		**5,777,448**	**8,325,260**
Total equity and liabilities		**7,457,705**	**10,827,735**

The Financial statements was approved and authorised for issue by the Board of Directors on 30th March, 2023 and was signed on its behalf by:

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

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

STATEMENT OF CHANGES IN EQUITY

	Issued capital ₦'000	Share premium ₦'000	Accumulated Deficits/Revenue reserves ₦'000	Total equity ₦'000
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**
At 1 January 2022	1,500,000	693,344	309,131	2,502,475
Loss for the year	-	-	(822,218)	(822,218)
Other comprehensive income	-	-	-	-
Total comprehensive income, net of tax	-	-	(822,218)	(822,218)
At 31 December 2022	**1,500,000**	**693,344**	**(513,087)**	**1,680,257**

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

STATEMENT OF CASH FLOWS
For the year ended 31 December

	Notes	2022 ₦'000	2021 ₦'000
Operating activities			
(Loss)/Profit before tax		(781,392)	565,133
Depreciation of property, plant and equipment	14	160,408	165,552
Amortisation of intangible assets	15	12,775	543
Right of use assets		8,333	(8,333)
(Gain)/Loss on disposal of property, plant and equipment	8	(1,095)	9,817
Expected credit loss	17	4,396	47,858
Finance cost	10	853,652	298,449
Interest income	9	(5,333)	(683)
Government grant	8	(116,426)	-
Changes in working capital:			
Decrease/(Increase) in inventories		3,671,353	(3,484,700)
Decrease/(Increase) in trade and other receivables		71,281	(656,827)
Decrease/(Increase) in prepayments		41,256	(30,640)
Increase/(Decrease) in trade and other payables		1,364,081	(1,623,988)
Cash outflow generated from/(used in) operating activities		5,283,288	**(4,717,818)**
Income tax paid	12(iv)	(80,631)	(42,875)
Net cash generated from operating activities		5,202,657	(4,760,693)
Investing activities			
Interest received	9	5,333	683
Proceeds from disposal of PPE		1,241	14,720
Acquisition of Intangibles assets	15(iii)	(215,216)	(35,394)
Purchase of property, plant and equipment	14	(249,469)	(130,955)
Net cash flows used in investing activities		(458,111)	(150,945)
Financing activities			
Interest paid	23	(719,111)	(298,449)
Proceeds from borrowings	23	10,321,410	7,734,103
Repayment of borrowings	23	(14,211,615)	(2,275,396)
Net cash flows generated from/ (used in) financing activities		(4,609,316)	5,160,258
Increase in cash and cash equivalents		135,230	248,620
Cash and cash equivalents at 1 January		342,611	93,991
Cash and cash equivalents at 31 December	19	**477,841**	**342,611**

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

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 IFRS Standards 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 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 2022

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 2022

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.

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 2022

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 2022

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).

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 based on 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 2022

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 tax 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.

National Information Technology Development Agency Levy

National Information Technology Development Agency Levy is computed on Profit before tax but it is not applicable to the Companies in agricultural sector.

Nigeria Police Trust Fund Levy

Nigeria Police Trust Fund Levy is computed on the net profit(i.e profit deducting all expenses and taxes from revenue earned by the Company during the year) and is governed by the Nigeria Police Trust Fund (Establishment) Act,2019.

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.

The Company does not have non-monetary assets and liabilities denominated in foreign currencies, therefore, there is no accounting policy in place.

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 transferred 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 commences immediately the asset is available for intended use. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

Leasehold Land	5 to 25 years
Building	10 to 33 years
Machinery & Equipment	2 to 10 years
Motor Vehicle	
- Automobile	3 to 10 years
- Truck	3 to 10 years
Computer Equipment	3 to 5 years
Office equipment	3 to 5 years
Work in progress	NIL

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 2022

i) Financial assets

No changes were made in the objectives, policies or processes for managing capital during the periods ended 31 December 2022 and 2021.

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

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 2022

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 and other financial assets 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). The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 receivables, 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 90 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 2022

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, armotized 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 2022

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.Inventory quantities and values will be adjusted for spoilage,spillage and deterioration, expiration and any other loss as soon as it is discovered. Stock assessment must be carried out quarterly and the invetories should be measured at the lower of cost and net realizable value as provided for in IFRS.The comparison of cost and net realizable value should be carried out on an item-by-item basis but, where this is impracticable, groups of similar items shall be considered together. It is however, unacceptable to compare the total net realizable value of all inventories with their total purchase price or production cost. Where the net realizable value of an item is less than its cost, the excess is written off immediately in income statement.

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 2022

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 and Contigent assets

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. Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

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 2022

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 2022 and 31 December 2022 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 2022

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 2022.

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 2022

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 2022

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.

Covid-19-related Rent Concessions (Amendment to IFRS 16)
Disclosure of Accounting Policies(Amendments to IAS 1 and IFRS Practices Statement 2)
Definition of Accounting Estimates (Amendments to IAS 8)

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

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:

(a) 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.

(b) 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.

(a) 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.

3. Significant accounting judgements, estimates and assumptions - continued

(b)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

(c) 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.

(d) 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 2022				
Segments	**Aba** **₦'000**	**Ikeja** **₦'000**	**Onitsha Operations** **₦'000**	**Northern Operations** **₦'000**	**TOTAL** **₦'000**
Type of goods or service					
Sale of livestock feeds	2,973,995	9,889,565	573,056	2,973,605	16,410,221
Total revenue from contracts with customers	**2,973,995**	**9,889,565**	**573,056**	**2,973,605**	**16,410,221**
Geographical markets					
Within Nigeria	2,973,995	9,889,565	573,056	2,973,605	16,410,221
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	**2,973,995**	**9,889,565**	**573,056**	**2,973,605**	**16,410,221**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

Timing of revenue recognition					
Goods transferred at a point in time	2,973,995	9,889,565	573,056	2,973,605	16,410,221
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	**2,973,995**	**9,889,565**	**573,056**	**2,973,605**	**16,410,221**

	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**
Timing of revenue recognition					
Goods transferred at a point in time	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**

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 90 days from delivery.

Contract balances		**2022**	**2021**
		₦'000	**₦'000**
Trade receivables	17	201,928	181,680

Trade receivables are non-interest bearing and are generally on terms of 90 days. In 2022: N144.08 Million (2021: N139.68million). These are cummulative balances over the years but, it is only the sum of N4.39million that was recognised as expected credit losses on trade receivables during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 December 2022

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.

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	2022 N'000	2021 N'000
Revenue from contract with customers	16,410,221	14,640,268
Operating profit	66,927	862,899
Finance cost (Note 10)	(853,652)	(298,449)
Finance income (Note 9)	5,333	683
(Loss)/profit before taxation	(781,392)	565,133
Income tax expense	(82,830)	(135,436)
Total assets	7,457,705	10,827,735
Total liabilities	5,777,448	8,325,260

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 and returns and are therefore considered as a single segment. Analysis of sales for the year is as follows:

	2022 N'000	2021 N'000
Aba	2,973,995	2,728,705
Ikeja	9,889,565	9,013,682
Onitsha Operations	573,056	1,117,561
Northern Operations	2,973,605	1,780,320
	16,410,221	**14,640,268**

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 2022

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
From external customers	2,973,995	9,889,565	573,056	2,973,605	16,410,221
Segment revenue	2,973,995	9,889,565	573,056	2,973,605	16,410,221
Cost of sales	(2,806,367)	(9,616,142)	(513,677)	(2,777,642)	(15,713,828)
Gross profit	**167,628**	**273,423**	**59,379**	**195,963**	**696,394**
Selling and distribution expense	(23,980)	(71,516)	(17,724)	(63,235)	(176,455)
Trading profit	**143,648**	**201,907**	**41,655**	**132,728**	**519,938**
Other income	38,221	98,126	170	16,214	152,731
Operating profit	**181,869**	**300,033**	**41,825**	**148,942**	**672,669**
Finance Cost	(228,642)	(503,185)	-	(121,825)	(853,652)
Contribution to margin	**(46,773)**	**(203,152)**	**41,825**	**27,117**	**(180,983)**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 December 2022

5. Segment information - continued	**2022**
Head Office	**N'000**
Dividend income	316
Interest income	5,333
Laboratory income	552
Sales of Scrap	151
Insurance Claim	-
Gain on disposal of assets	1,095
Miscellaneous income	1,162
ITF Refund	-
(Loss) on unrealized Foreign Currency Revaluation	(2,745)
Expected credit loss	(4,396)
Administrative cost	(559,332)
Marketing Cost	(42,546)
Loss before tax	**(781,392)**

Segment assets and liabilities- 31 December 2022

Non-current assets	**Head office**	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Property,plant and equipment	326,808	362,566	168,771	127	7,071	865,343
Intangible assets	237,293	-	-	-	-	237,293
Current assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Inventory	23,522	1,575,862	2,687,368	11,034	612,506	4,910,292
Trade and other receivables	586,871	82,983	210,036	20,734	4,455	905,079
Refund assets	4,683	-	-	-	-	4,683
Prepayments	14,666	-	16,892	-	8,333	39,891
Other financial asset	17,283	-	-	-	-	17,283
Cash and cash equivalents	477,822	5	8	2	4	477,841
	1,124,848	**1,658,850**	**2,914,303**	**31,770**	**625,299**	**6,355,069**

The inventory balance at the head office represents materials held in Livestock feeds Plc warehouses and those held at external warehouses in Lagos,Ibadan,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	1,889,663	50,536	84,933	10,040	44,192	2,079,364
Short- term borrowings	3,575,019	-	-	-	-	3,575,019
Refund liabilities	4,924	-	-	-	-	4,924
Dividend payable	17,384	-	-	-	-	17,384
Current tax payable	95,791	-	-	-	-	95,791
Government Grant	4,966					4,966
	5,587,747	**50,536**	**84,933**	**10,040**	**44,192**	**5,777,448**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 December 2022

5. Segment information - continued

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 expense	(65,058)	(218,570)	-	(14,821)	(298,449)
Contribution to margin	**295,659**	**670,256**	**76,084**	**119,974**	**1,161,972**
Head Office					
Dividend Income					306
Interest income					683
Laboratory income					911
Gain on disposal of assets					(9,817)
Miscellaneous income					1,060
ITF refund					1,996
Insurance Claim					2,125
Sale of scraps					1,001
Gain/Loss Realized Foreign Currency Revaluation					(493)
Expected Credit Loss					(47,858)
Administrative cost					(501,676)
Marketing Cost					(45,080)
Profit before tax					**565,132**

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	4,388	776,428
Intangible assets	34,851	-	-	-	-	34,851
ROU Assets	8,333	-	-	-	-	8,333
Current assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'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**	**10,008,122**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 December 2022

	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
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**

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.

		2022	2021
		₦'000	**₦'000**
Trade and other payables	21	2,079,364	716,517
Interest-bearing loans and borrowings	23	3,575,019	7,452,074
Cash and short term deposit (Note 19)		(477,841)	(342,611)
Net debt		**5,176,542**	**7,825,980**
Total capital: Equity		1,680,257	2,502,475
Capital and net debt		**6,856,799**	**10,328,456**
Gearing ratio		**75%**	**76%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

7. Expense by Nature

	2022 ₦'000	2021 ₦'000
7(i). Cost of sales		
Change in inventories of finished goods and work in progress	14,901,494	12,313,144
Salaries and other staff benefit*	332,006	315,969
Business Travelling Expenses	11,453	13,551
Business Entertainment Expenses	7,759	4,141
Electricity and power	124,456	72,672
Depreciation of property,plant & equipment (Note 11ii)	142,680	156,531
Amortisation of intangible assets (Note 11 iii)	652	543
Rent**	53,089	50,311
Security expenses	17,566	19,908
Local repair and renewal	43,238	40,458
Laboratory expenses	15,527	4,251
Vehicle repairs expenses	2,173	709
Sundry vehicle expenses	1,485	1,494
Cleaning & Sanitation	9,832	5,084
Office Stationery & Printing	5,486	3,327
Rates	2,715	2,245
Subscription	4,301	6,448
Information Technology	1,486	1,356
Other expenses ***	36,430	49,952
Total cost of sales	**15,713,827**	**13,062,094**

*** 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 N9,727,634, (2021: N7,442,235)

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

7(ii). Selling and distribution expenses

	₦'000	₦'000
Salaries and other staff benefit*	80,012	88,452
Business travelling expenses	19,873	18,569
Distribution expenses	68,856	36,294
Corporate gifts/marketing investment	28,833	31,610
Depreciation of property,plant & equipment (Note 11 ii)	7,882	2,349
Electricity and Power	445	534
Office Stationery and Printing	345	-
Local repair and renewal	2,664	60
Advertisement and Publicity	910	-
Vehicle repairs,maintenance & fueling	5,854	3,643
Internet Charges/IT licencing renewal	18	5
Other expenses ***	3,309	265
	219,001	**181,781**

*** 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 N3,777,587 (2021: N3,802,543).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

7(iii). Administrative expenses	Note	₦'000 2022	₦'000 2021
Salaries and other staff benefit*		158,692	166,864
Consultancy		28,979	22,271
Auditor's fee**		12,900	10,863
Subscription		7,328	7,176
Board Expenses	27(ii)	20,677	24,201
AGM expenses		6,409	5,968
Information Technology		70,892	56,010
Depreciation of property,plant & equipment (Note 11 ii)		9,846	6,674
Amortisation of intangible assets (Note 11 iii)		12,123	-
Insurance		22,988	18,963
Management service fees (Note 24)		159,102	144,859
Bank charges		13,676	12,635
Business travelling & entertainment		7,129	7,097
Electricity & Power		2,625	3,918
Cleaning & Sanitation		904	376
Security expenses		3,981	710
Office stationery & printing		1,776	759
Local repairs & renewal		3,742	1,399
Rent		514	464
Legal expenses		1,555	490
Advertisement & Publicity		647	919
Vehicles repairs, maintenance & fueling		2,641	1,467
Other expenses ***		10,206	7,592
		559,332	**501,676**

*** Other expenses that are related to administrative expenses but not stated above such as Miscellaneous/ sundry expenses, computer charges etc which were incurred during the year.
*Salaries & Other benefits include Employer's Pension N8,549,923, (2021: N6,491,913).
** Audit Fees relates relates to the professional fees for our external auditor. There is no non-audit fees paid to KPMG in year 2022.

8. Other operating income	2022 ₦'000	2021 ₦'000
Sales of sacks	34,143	17,352
Laboratory income *	576	920
Weighing income**	1,160	822
Sales of scrap	1,111	1,638
Gain/(Loss) on disposal of property,plant and equipment	1,095	-9,817
Gain on Realized foreign currency revaluation	-2,745	-493
Registration fees	1,180	1,190
Dividend Income	316	306
Insurance claim	-	2,125
ITF refund	-	1,996
Government Grant***(Note 23.1)	116,426	-
Total other operating income	**153,262**	**16,039**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

* 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.

	2022	2021
9. Investment income	**₦'000**	**₦'000**
Interest income on short-term bank deposits	4,733	534
Interest Income - Unclaimed Dividend	600	149
	5,333	**683**

10. Finance cost

Interest on loans	716,120	298,449
Interest on Commercial Paper**	137,532	-
	853,652	**298,449**

**Interest on Commercial Paper:UAC Plc assisted us in sourcing for the sum of N3.005 Billion Commercial Paper(CP) to augment our working at an interest rate of 8.8% for 180 days. The fund was disbursed in May 2022 and fully liquidated in November 2022.

11(i). (Loss)/Profit before taxation

(Loss)/Profit before taxation is stated after charging:

Amortisation of intangible assets (Note 15)	12,775	543
Depreciation (Note 14)	160,408	165,554
Auditors remuneration (Note 7(iii))	12,900	10,863
Staff cost	570,710	571,285

11(ii).Depreciation of property,plant & equipment

Cost of Sales	7(i)	142,680	156,531
Selling and distribution expenses	7(ii)	7,882	2,349
Administrative expenses	7(iii)	9,846	6,674
		160,408	**165,554**

11(iii). Amortisation of intangible assets

Cost of Sales	7(i)	652	543
Selling and distribution expenses	7(ii)	-	-
Administrative expenses	7(iii)	12,123	-
		12,775	**543**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

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:

	2022 ₦'000	2021 ₦'000
Current tax expense:		
CIT	-	-
Education tax charge	-	20,203
Police trust fund levy	-	28
	-	20,231
Deferred tax:		
Relating to origination and reversal of temporary differences		
(Credit)/Charge for the year	(42,004)	42,004
Income tax charge	**(42,004)**	**62,235**

(ii) Reconciliation of the effective tax rate

	2022 ₦'000	2021 ₦'000
(Loss)/profit before income tax	(781,392)	565,133
Income tax using statutory tax rate	(234,418)	169,540
Education tax at 2.5% of assessable profit	-	14,128
Investment allowance	-	427
Non deductible expenses	(1,905)	(1,262)
Impact of tax credit/losses not recognised	194,204	(123,683)
Others	116	3,084
Income tax recognised in profit or loss	**(42,004)**	**62,235**
Effective income tax rate	**5%**	**11%**

Deferred tax

Deferred tax relates to the following:	2022 ₦'000	2021 ₦'000
Property, plant and equipment	124,958	122,386
Unutilised tax loss	(200,045)	-
Unutised tax credit	(69,741)	(13,999)
Unrealised exchange gain	(862)	(130)
Expected credit losses of debt financial assets	(48,513)	(66,252)
Net deferred tax (assets)/(liabilities)	**(194,204)**	**42,004**
Unrecognised deferred tax	194,204	-
Net deferred tax(assets)/liabilities	**-**	**42,004**

(iii) Movement in deferred tax balance	Balance as at 1 January 2022	Recognised in profit or loss	Balance as at 31 December 2022
	₦'000	**₦'000**	**₦'000**
Property, plant and equipment	122,386	(122,386)	-
Unrealised exchange difference	(130)	130	-
Unutilised capital allowances	(13,999)	13,999	-
Provisions	(66,252)	66,252	-
Tax losses	-		-
	42,004	(42,004)	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

	2022 ₦'000	2021 ₦'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**

	2022 ₦'000	2021 ₦'000
(iv) Current tax liabilities		
As of 1 January	93,591	43,034
Income tax expense for the year	-	20,231
Minimum tax	82,830	73,201
Payment during the year	(80,631)	(41,160)
WHT credit notes utilized during the year	-	(1,715)
As at 31 December	**95,791**	**93,591**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The Company has not recognised deferred tax assets of N194.20 million in respect of deductible temporary differences as it is not probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary difference is 30% based on the relevant tax laws

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:

	2022 ₦'000	2021 ₦'000
Earnings attributable to ordinary equity holders for basic earnings	(822,218)	429,697
	Thousands	**Thousands**
Average number of ordinary shares for basic EPS	2,999,999	2,999,999
Basic earnings per share (Kobo)	(27.41)	14.32
Diluted earnings per share (Kobo)	(27.41)	14.32

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 period ended 31 December 2022

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 2021	**75,000**	**321,686**	**970,776**	**145,716**	**38,106**	**45,251**	**283,236**	1,879,771
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**
Additions		2,545	166,224	9,836	4,488	5,802	60,575	249,469
Disposal		-	-	(7,980)	(238)	(137)	-	(8,354)
Reclassification*		-	127	16,125	4,631	12,291	(33,175)	-
31 December 2022	**-**	**277,643**	**1,220,593**	**165,281**	**64,257**	**69,909**	**300,218**	**2,097,901**
Accumulated depreciation								
1 January 2021	**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**
Depreciation charge for the year		8,733	114,871	21,979	6,445	8,379	-	160,408
Disposal		-	-	(7,980)	(92)	(136)	-	(8,208)
31 December 2022	**-**	**153,711**	**853,826**	**133,500**	**41,044**	**50,475**	**-**	**1,232,558**
Net book value								
31 December 2022	**-**	**123,932**	**366,766**	**31,781**	**23,213**	**19,434**	**300,218**	**865,343**
At 31 December 2021	**-**	**130,120**	**315,286**	**27,798**	**20,685**	**9,721**	**272,817**	**776,428**

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 (2021: Nil). No contractual commitment on any of the Company's Property, plant and equipment.

14b.Analysis of Capital WIP into asset classes:

	2022	2021
	₦'000	₦'000
Buildings	288,540	259,978
Machinery and Equipment	11,082	390
Office Equipment	-	183
Computer Hardware	597	12,266
	300,218	**272,817**

* Reclassification relates to cost of projects that were earlier posted to CWIP pending the completion of the projects.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

15. Intangible assets

(i)'Computer software with definite useful life	**2022 ₦'000**	**2021 ₦'000**
Cost:		
At 1 January	15,024	13,069
Additions	-	1,955
Reclassification**(Note 15ii)	248,655	-
At 31 December	**263,680**	**15,024**
Amortisation		
At 1 January	13,612	13,069
Amortisation	12,775	543
At 31 December	**26,387**	**13,612**
Carrying value	**237,293**	**1,412**

Computer software consists of acquisitions costs of software used in the day-to-day operations of the Company.
** This relates to capitalization of the cost incurred on the new accounting software (SAP S4 HANA)

(ii)Capital work in progress-intangibles

	2022 ₦'000	**2021 ₦'000**
Cost:		
At 1 January	33,439	-
Additions	215,216	33,439
At 31 December	**248,655**	**33,439**
Amortisation		
At 1 January	-	-
Amortisation	-	-
Reclassification	(248,655)	-
At 31 December	(248,655)	-
Carrying value	**-**	**33,439**

The SAP project has been concluded and the cost incurred has been fully transferred to intangible assets.

(iii) Reconciliation of additions to Intangible assets in the Statement of Cashflows	**2022 ₦'000**	**2021 ₦'000**
Additions to Computer Software	-	1,955
Additions to Software under development	215,216	-
Additions per Statement of Cashflows	215,216	1,955

16. Inventories	**2022 ₦'000**	**2021 ₦'000**
Raw materials	3,553,662	7,373,621
Finished goods	112,181	225,486
Vet Drugs	443,980	495,425
Engineering spares	175,707	57,341
Diesel	21,993	6,688
Inventory with third party for conversion **	602,769	422,349
Other consumables	-	733
	4,910,292	**8,581,643**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

During 2022, there was no write off and write down of Inventories by the Company (2021: Nil), In addition, the Company recognised N14,901,494,099 (2021:

N12,313,143,649) 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 and Apple and Pears 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

	2022 ₦'000	2021 ₦'000
Receivables from third-party customers	201,928	181,680
Advance payments to suppliers*	36,325	926,299
Allowance for expected credit losses	(144,077)	(139,681)
	94,176	968,298
Related Parties(Note 24)	795,939	6
Other receivables	14,964	13,808
	905,079	982,112
Refund asset	4,683	3,327
	909,762	**985,439**

Trade receivables are non-interest bearing and are generally on terms of 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:

	2022 ₦'000	2021 ₦'000
As at 1 January	(139,681)	(91,823)
Addition to expected credit losses	(4,396)	(47,858)
At 31 December	**(144,077)**	**(139,681)**

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	2022		2021
Internal grading system	***Stage 1 Individual N'000***	***Simplified Model Collective N'000***	***Total N'000***
Standard grade	-	201,928	181,680
	--------------	--------------	--------------
	-	**201,928**	**181,680**
	========	========	========

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

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 2022	-	(139,681)	(91,823)
New assets originated or purchased	-	(4,396)	(47,858)
	-	**(144,077)**	**(139,681)**

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)	**2022**	**2021**
As at 1 January	3,327	10,147
Amount deferred as a result of unexpired rights	4,683	3,327
Cost of sales recognized in the period from:		
Expired right not exercised	(3,327)	(10,147)
As at 31 December	**4,683**	**3,327**

18(i). Prepayments

	2022	**2021**
Due within one year	**₦'000**	**₦'000**
Others**	14,624	21,169
Short-term lease prepayments	25,267	36,754
Insurance	-	23,224
	39,891	**81,147**

Reconciliation of Prepayment

As at 1 January	81,147	50,507
Additions	229,818	228,383
Amortization	(271,074)	(197,743)
As at 31 December	**39,891**	**81,147**

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

	2022
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)	53,602
	53,602

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

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, passage allowance,SAP licence fee etc. on assets.

18(iii) ROU Assets

Opening Balance	8,333	-
Addition	-	8,333
Amortization	(8,333)	
Closing Balance	**-**	**8,333**

This relates to lease payment for Kano Warehouse made in 2021 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

	2022 ₦'000	2021 ₦'000
Cash on hand	46	41
Cash at banks	355,620	186,450
	355,666	**186,491**

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	122,175	156,120
	122,175	**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 N139.04m is the untilised fund as at December 31 2022 which has been invested in an interest yielding account.

19.2. Other financial asset(Unclaimed dividend funds)

Unclaimed dividend funds	17,283	17,283
	17,283	17,283

* Other financial assets relates to 90% of unclaimed dividend returned by the registrar of the Company. The amount was put in 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	4,344	4,195
	4,344	4,195

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and call deposit as included below.

	2022 ₦'000	2021 ₦'000
Cash on hand, cash at bank and call deposit	477,841	342,608

Call deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. During the reporting period, an expected credit loss assessment was performed on these(cash and cash equivalents) balances. The impairment allowance is considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

20. Issued capital and reserves	**₦'000**	**₦'000**
Authorised shares		
2,999,999,418 ordinary shares of 50Kobo each	1,500,000	1,500,000
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	1,145,761	373,581
Related parties (Note 24)	634,262	26,191
Other payables (Note 21.1)	299,341	316,745
	2,079,364	716,517
Refund liabilities (Note 21.2)	4,924	3,690
	2,084,288	**720,207**

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	**2022**	**2021**
	₦'000	**₦'000**
VAT payable	649	290
Accrued liabilities	250,211	297,949
WHT payable	32,485	9,447
PAYE	11,086	4,076
ITF	4,907	4,991
Pension	-	(8)
	299,341	316,745
21.2 Refund liabilities		
Refund liabilities	4,924	3,690
	304,265	**320,435**

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)	**2022**	**2021**
As at 1 January	(3,690)	(11,194)
Amount deferred as a result of unexpired rights	(4,924)	(3,690)
Revenue recognized in the period from:		
Expired right not exercised	3,690	11,194
As at 31 December	**(4,924)**	**(3,690)**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

Net refund liabilities consist of the following at December 31:

(In thousands of naira)	2022	2021	Change	Change
Refund assets	**4,683**	3,327	**1,356**	**41%**
Refund liabilities	**(4,924)**	**(3,690)**	**(1,234)**	**33%**
Net refund liabilities	**(241)**	**(363)**	**122**	**-34%**

22. Dividend payable

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

	2022 ₦'000	2021 ₦'000
As at 1 January	(17,384)	(20,768)
Dividend paid	-	3,384
As at 31 December	(17,384)	(17,384)

23. Interest-bearing loans and borrowings

Borrowings -Current	**2022 ₦'000**	**2021 ₦'000**
Commercial Loan-FBN	2,068,532	5,652,074
Commercial Loan-ZBN	1,010,667	1,800,000
CBN CACS FUND-UBN	495,820	-
	3,575,019	**7,452,074**

Reconciliation of interest-bearing loans and borrowings

As at 1 January	7,452,074	1,993,367
Additions	10,321,410	7,734,103
Government grant	(121,392)	-
Interest charged	853,652	298,449
Repayments(Principal and interest)	(14,930,726)	(2,573,845)
As at 31 December	**3,575,019**	**7,452,074**

Maturity

0 - 1 year	**3,575,019**	**7,452,074**
Over 1 year	**-**	**-**
Total	**3,575,019**	**7,452,074**

23.1
23. 1 Government grant

	2022 N'000	**2021 N'000**
As at 1 January	-	
Received during the year	121,392	-
Released to the statement of profit & loss	(116,426)	-
As at December	**4,966**	**-**

The Company got an enhanced facility of N5 billion at 11.5% interest rate for 270 days and has been fully utilised as at February 2022 but N2.99 billion was liquidated as at December 2022 leaving an outstanding balance of N2.01 billion . The First Bank Facility is currently running at 16%.The Company also got N2 billion CACS fund which is a government intervention fund through Union Bank in the month of March 2022, the facility is currently running at a concessionary interest rate of 9%. It was initially running @5% but the increment took effect in the month of September 2022. N1.5 billion has been liquidated as at December 2022 and the balance of N500 million will be paid back in February 2023.The Company renewed the N2 billion Zenith bank facility @ 16% interest rate out of which N1 billion has been utilized for working capital.

Government Grant is the Savings made on interest paid on N2 billion facilities obtained from Central Bank of Nigeria through Union Bank Plc which is Federal government agriculture intervention fund(CACS). The facility was obtained at an interest rate of 5% but later increasef to 9% in September 2022 as against prevailing 16% commercial 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 2022

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 2022	Relationship	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	Parent Company	159,102	3,312,732		-	69,010
Other related party						
UAC Foods Ltd	Fellow Subsidiary				-	36
CAP PLC	Fellow Subsidiary				31	
Grand Ceareal Nigeria Limited	Fellow Subsidiary	-	636,485	1,610,006	795,908	565,216
		159,102	**3,949,217**	**1,610,006**	**795,939**	**634,262**
As at 31 December 2021						
Entity with control over the Company:						
UAC of Nigeria Plc	Parent Company	144,859	36,092		-	23,908
Other related party:						
UAC Foods Ltd	Fellow Subsidiary				6	
Grand Cereal Nigeria Limited	Fellow Subsidiary	-	1,896,384	1,149,321	-	2,282
		144,859	**1,932,476**	**1,149,321**	6	**26,191**

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

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 period ended 31 December 2022

26. Financial assets and financial liabilities

26.1 Financial assets

	2022 ₦'000	2021 ₦'000
Cash and short term deposit (note 19)	477,841	186,491
Trade and other receivables (Note 17)	905,079	982,112

26.2 Financial liabilities

Financial liabilities at amortised cost	2022 ₦'000	2021 ₦'000
Borrowing (Note 23)	(3,575,019)	(7,452,074)
Trade and other payables (Note 21)	(2,046,230)	(706,780)

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.

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:

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:

Period ended 31 December 2022	**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	-	2,079,364			-	2,079,364
Interest-bearing loans and borrowings		3,079,198	495,820			3,575,019
	-	5,158,563	495,820	-	-	5,654,383

Year ended 31 December 2021	**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	-	716,517	-	-	-	716,517
Interest-bearing loans and borrowings		7,452,074				7,452,074
	-	8,168,591	-	-	-	8,168,591

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the period ended 31 December 2022

		2022		2021
Cash and short term deposits				
Euro	€	379	€	379
United State Dollar (USD)	$	4,574	$	17,936
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 2022		**31 December 2021**	
Change in USD rate	Effect on profit before tax **₦'000**	Change in USD rate	Effect on profit before tax **₦'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 period ended 31 December 2022

(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:

	2022	2021
	₦'000	₦'000
Cash at bank and short-term bank deposits A+(nga)	477,795	203,733
Unrated cash and cash equivalents	46	41
Unrated trade and other receivables	905,079	982,112
Maximum credit exposure	**1,382,920**	**1,185,886**

(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 2022

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 2022

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-22	**Current ₦'000**	**<90 days ₦'000**	**90–180 days ₦'000**	**180–360 days ₦'000**	**>360 days ₦'000**	**Total ₦'000**
Expected credit loss rate	25.45%	55.31%	70.32%	78.00%	100.00%	
Estimated total gross carrying amount	64,425	13,947	-	16,303	107,252	201,928
Expected credit loss	(16,394)	(7,714)	-	(12,717)	(107,252)	(144,018)

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)

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

	2022 ₦'000	**2021 ₦'000**
In thousands of Naira		
Balance as at 1 January 2022	(139,681)	(91,823)
Additional expected credit losses	(4,396)	(47,858)
Balance at 31 December	**(144,077)**	**(139,681)**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

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.

Staff Numbers by function	2022 Number	2021 Number
Direct	51	50
Admin	14	13
Sales & Marketing	22	21
	87	84

	2022	2021
N500,001-N600,000	-	-
N600,001-N700,000	2	2
N700,001-N800,000	1	1
N800,001-N1,0000,000	7	7
N1,000,001-N1,200,000	5	5
N1,200,001-N1,300,000	-	-
N1,300,001- N1,500,000	1	1
Above N1,500,000	71	68
	87	84

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

	2022 ₦'000	2021 ₦'000
Salaries and wages	548,654	553,548
Pension cost	22,056	17,737
	570,710	**571,285**

(ii) Emoluments of Non-Executive Directors

		2022 ₦'000	2021 ₦'000
(a)	Fees	850	1,050
	Passage Allowance	10,500	13,000
	Other Emoluments	9,327	10,131
		20,677	**24,181**
(b)	The Chairman's Emoluments	3,970	3,970

(iii) Key management compensation

Key management have been defined as the managing director and executive committee members

	2022 ₦'000	2021 ₦'000
Key management compensation includes:		
Short-term employee benefits:		
Wages and salaries-Managing Director	30,312	26,147
Wages and salaries-Executive Committee Members	85,369	44,906
	115,680	**71,053**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

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 excluding intercompany sales to Grand Cereals Ltd) is N159.10million (2021: N144.86million).

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,KPMG Professional Services. The Company did not engage KPMG for non-audit service this year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the year ended 31 December 2022

32. Livestock Feeds Plc-Free Float Computation

Company Name:		Livestock Feeds Plc
Board Listed:		Main Board
Period End:		December 31
Reporting Period:		31 December 2022
Share Price at end of reporting period:	-	N1.09(2021: N2.22)

Shareholding Structure/Free Float

Description	31-Dec-22		31-Dec-21	
	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	-	-	-	-
Mr. Peter Mombaur	-	-	-	-
Mrs.Temitope Omodele	-	-	-	-
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	N873,366,474.14		N1,722,695,338.90	

Declaration:
(A) Livestock Feeds Plc with a free float percentage of 26.71% as at 31 December 2022, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

VALUE ADDED STATEMENT
As at 31 December

	2022 ₦'000	%	2021 ₦'000	%
Revenue	16,410,221		14,640,268	
Other income	(153,262)		(16,039)	
Finance income	(5,333)		(683)	
	16,251,626		14,623,546	
Bought in services				
- Foreign	(9,310,982)		(7,882,672)	
- Local	(6,207,321)		(5,255,115)	
Total Value added	733,323	100	1,485,759	100
Applied as follows:				
Employees				
Salaries and other labour related benefits	570,710	78	571,285	38
Lenders				
Interest expense	853,652	115	298,449	20
Government				
Taxation	-	-	20,231	1
Retained in the Business				
Deferred Tax	(42,004)	(6)	-	-
Depreciation and amortisation	173,183	25	166,097	11
(Loss)/profit for the year	(822,218)	(112)	429,697	29
	733,323	100	1,485,759	100

Five Year Financial Summary
As at 31 December

Assets	**2022**	**2021**	**2020**	**2019**	**2018**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-current assets	1,102,636	819,612	835,562	858,700	996,921
Current assets	6,355,069	10,008,123	5,638,578	3,175,210	2,947,498
Total assets	**7,457,705**	**10,827,735**	**6,474,140**	**4,033,910**	**3,944,419**
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	(513,087)	309,131	(120,566)	(623,752)	(730,104)
Total equity	**1,680,257**	**2,502,475**	**2,072,778**	**1,569,592**	**1,463,240**
Liabilities					
Non-current liabilities	-	42,004	-	-	-
Current liabilities	5,777,448	8,283,256	4,401,362	2,464,318	2,481,179
Total liabilities	5,777,448	8,325,260	4,401,362	2,464,318	2,481,179
Total equity and liabilities	**7,457,705**	**10,827,735**	**6,474,140**	**4,033,910**	**3,944,419**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022	**2021**	**2020**	**2019**	**2018**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Revenue	16,410,221	14,640,268	11,179,328	9,955,222	7,834,018
(Loss)/profit before minimum taxation	(781,392)	565,133	546,071	112,630	(761,227)
Minimum tax	(82,830)	(73,201)	(27,948)		-
(Loss)/profit before taxation	(864,222)	491,932	518,123	112,630	(761,227)
Taxation	42,004	(62,235)	(14,936)	(6,277)	140,916
(Loss)/profit for the year	(822,218)	429,696	503,187	106,353	(620,311)