

LIVESTOCK FEEDS PLC

(a subsidiary of **uac** of nigeria plc)

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Regd. Number - RC. 3315

BRANCHES:



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

ABA MILL

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

NORTHERN OPERATIONS

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

ONITSHA OPERATIONS

No 15a Pokobros Avenue
Off Atani Road, Onitsha
Anambra State
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FINANCIAL STATEMENTS 30 JUNE 2021

Board of Directors:

Joseph I. D. Dada (*Chairman*), **Adegboyega Adedeji** (*Managing Director*)
Abayomi Adeyemi, **Adebolanle Badejo**, **Daniel Obaseki**, **Bolarin Okunowo**

LIVESTOCK FEEDS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	3 months to June 2021 N'000	6 month to June 2021 N'000	3 months to June 2020 N'000	6 months to June 2020 N'000
Revenue from contracts with customers	4	3,646,057	7,001,744	2,451,492	4,919,611
Cost of sales	7i	(3,252,345)	(6,199,510)	(2,191,383)	(4,415,110)
Gross profit		393,712	802,234	260,109	504,501
Other operating income	8	4,288	9,606	26,759	46,750
Selling and Distribution expenses	7ii	(35,108)	(91,423)	(70,421)	(137,346)
Expected Credit Loss	17	(8,548)	(15,977)	-	(17,223)
Administrative expenses	7iii	(120,727)	(224,920)	(98,823)	(175,977)
Operating profit		233,617	479,520	117,624	220,705
Interest revenue	9	-	-	90	180
Finance Expense	10	(58,486)	(114,363)	(38,537)	(82,153)
Profit before tax	11	175,131	365,157	79,177	138,731
Income tax expense	12	(13,748)	(27,236)	(25,337)	(44,394)
Profit after taxation		161,383	337,921	53,841	94,337
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		161,383	337,921	53,841	94,337
Earnings per share(Kobo)					
Basic earnings for the year attributable to ordinary equity holders	13	5.38	11.26	2.64	3.14
Diluted, earnings for the year attributable to ordinary equity holders	13	5.38	11.26	2.64	3.14

The notes on pages 6 to 45 are integral part of this financial statements.

LIVESTOCK FEEDS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	Note	2021 ₦'000	2020 ₦'000
Assets			
Non-current assets			
Property, plant and equipment	14	825,872	835,562
Intangible assets	15	1,738	-
Total non-current assets		827,609	835,562
Current assets			
Inventories	16	4,145,311	5,096,943
Trade and other receivables	17	376,495	366,323
Refund assets	17	10,943	10,147
Prepayments	18	64,110	50,507
Other financial assets	19.2	20,668	20,668
Cash and short term deposit	19	381,153	93,991
Total current assets		4,998,680	5,638,578
Total assets		5,826,289	6,474,140
Equity			
Issued capital	20	1,500,000	1,500,000
Share premium	20	693,344	693,344
Revenue reserves		217,355	(120,566)
Total equity		2,410,699	2,072,778
Current liabilities			
Trade and other payables	21	861,618	2,332,999
Refund liabilities	21.2	12,440	11,194
Income tax payable	12	27,395	43,034
Dividend Payable	22	20,768	20,768
Interest-bearing loans and borrowings	23	2,493,367	1,993,367
Total current liabilities		3,415,589	4,401,362
Total liabilities		3,415,589	4,401,362
Total equity and liabilities		5,826,289	6,474,140

The Financial statements was approved and authorised for issue by the Board of Directors on 22nd July,2021 and was signed on its behalf by:

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

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

Finance Manager
Mr. Adekunle Adepoju
FRC/2013/ICAN/00000004478

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LIVESTOCK FEEDS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH JUNE 2021

	Issued capital (Note 20) N'000	Share premium (Note 20) N'000	Revenue reserves N'000	Total equity N'000
At 1 January 2020	1,500,000	693,344	(623,752)	1,569,592
Profit for the year	-	-	94,337	94,337
Other comprehensive income	-	-	-	-
Total comprehensive income, net of tax	-	-	94,337	94,337
At 30 June 2020	1,500,000	693,344	(529,415)	1,663,929
At 1 January 2021	1,500,000	693,344	(120,566)	2,072,778
Profit for the year	-	-	337,921	337,921
Other comprehensive income	-	-	-	-
Total comprehensive income, net of tax	-	-	337,921	337,921
At 30 June 2021	1,500,000	693,344	217,355	2,410,699

The notes on pages 6 to 45 are part of this financial statements.

LIVESTOCK FEEDS PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	2021 N'000	2020 N'000
Operating activities			
Profit before tax		365,157	138,731
Depreciation of property, plant and equipment	14	77,238	79,250
Amortisation of intangible assets	15	217 ¹	-
Gain on disposal of property, plant and equipment	8	(195)	-
Expected credit loss	7iii	15,977	17,223
Finance cost	10	114,363	82,153
Interest revenue	9	-	(180)
Government grant		-	(39,853)
Working capital adjustments:			
Decrease/(Increase) in inventories		951,633	480,097
Decrease/(Increase) in trade and other receivables		(26,149)	(191,299)
Decrease/(Increase) in prepayments and other assets		(14,399)	57,749
Decrease in trade and other payables		(1,470,134)	(466,945)
Cash (used in)/ generated from operating activities		13,708	156,927
Income tax paid	12	(42,875)	(6,277)
Net cash (used in)/flows from operating activities		(29,167)	150,650
Investing activities			
Interest received	9	-	180
Proceeds from disposal of PPE		195	-
Purchase of property, plant and equipment	14	(69,504)	(10,375)
Net cash flows used in investing activities		(69,308)	(10,195)
Financing activities			
Interest paid	10	(114,363)	(42,300)
Proceed from borrowing	23	500,000	297,636
Loan Repayment	23	-	(300,000)
Net cash flows from/(used in) financing activities		385,637	(44,664)
Increase/(decrease) in cash and cash equivalents		287,161	95,791
Cash and cash equivalents at 1 January		93,991	60,672
Cash and cash equivalents at 30 June 2021	19	381,152	156,463

The notes on pages 6 to 45 are part of this financial statements.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

1. Corporate information

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IAS 34) as issued by the International Accounting Standards Board (IASB), the requirements of the Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act 2020.

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

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

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies

b) Fair value measurement

The company measures its financial instruments at fair value at each reporting date. 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.

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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

Revenue from contracts with customers - continued

The company has identified one distinct performance obligations:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Standalone Selling Price is Typically Estimated
<i>Animal feeds</i>			
	Upon delivery (point in time)	Within 90 days of delivery	Not applicable
	When control of the feeds passes to the customer; typically upon delivery	Within 90 days of delivery	

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

The Financial statements was approved and authorised for issue by the Board of Directors on and was signed on its behalf by:

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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

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 [Extract]

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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

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.

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 liability 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.

Value added tax (VAT)

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

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

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

e) Foreign currencies

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

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

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

f) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per 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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

g) Property, plant and equipment

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.

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

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

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

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

Derecognition

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

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

h) Intangible assets

Computer software

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

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

Amortisation is recognised in the profit/loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for 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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

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.

i) Financial assets

No changes were made in the objectives, policies or processes for managing capital during the periods ended 31 March 2020 and 2019.

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

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

i) Financial assets- Continued

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

The company considers a financial asset in default when contractual payments are 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.

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.

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after

- EAD the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

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

- LGD 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, loans and borrowings, or payables, 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.

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 as 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 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or 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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

iii) Offsetting of financial instruments

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

j) Inventories

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

Cost is determined as follows:-

Raw materials

Raw materials which includes 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.

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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

i) 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) 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.

o) 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 total emolument, 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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.2 Summary of significant accounting policies - continued

p) 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.

The company has no Right of Use Assets as at 1 January 2021 and 30 June 2021 because existing leases are classified as short-term leases.

ii) Lease liabilities

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

The company has no lease liability as at 1 January 2021 and 30 June 2021 because all existing leases have been prepaid.

iii) Short-term leases

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

2.3 New and amended standards and interpretations

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Enterprise 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 2020.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.3 New and amended standards and interpretations- Continued

Amendments to IFRS 3: Definition of a Business

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

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.

However, this standard does not have an impact on the client in the year.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Enterprise has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Enterprise intends to adopt these standards, if applicable when they become effective.

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

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

2.3 New and amended standards and interpretations - continued

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- 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 Enterprise 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.

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.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

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 Enterprise.

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 Enterprise 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 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

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.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Enterprise.

3. Significant accounting judgements, estimates and assumptions

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

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

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

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

3. Significant accounting judgements, estimates and assumptions - continued

Judgements

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

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

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

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

Revenue from contracts with customers

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

Determining the timing of satisfaction of sales of feeds and concentrates

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

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

Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of 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 goodwill and other intangibles with indefinite useful lives recognised by the Company.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

3. Significant accounting judgements, estimates and assumptions - continued

Provision for expected credit losses of trade receivables

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

The provision matrix is initially based on the 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 assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 17 and 26.4

Depreciation and carrying value of property, plant and equipment

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

Taxes

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

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

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

Segments	For the period ended 30 June 2021				
	Aba N'000	Ikeja N'000	Onitsha N'000	Northern N'000	TOTAL N'000
Type of goods or service					
Sale of livestock feeds	1,328,461	4,209,762	545,804	917,717	7,001,744
Total revenue from contracts with customers	1,328,461	4,209,762	545,804	917,717	7,001,744
Geographical markets					
Within Nigeria	1,328,461	4,209,762	545,804	917,717	7,001,744
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	1,328,461	4,209,762	545,804	917,717	7,001,744
Timing of revenue recognition					
Goods transferred at a point in time	1,328,461	4,209,762	545,804	917,717	7,001,744
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	1,328,461	4,209,762	545,804	917,717	7,001,744

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 30 JUNE 2021

4. Revenue from contracts with customers - Continued

4.1 Disaggregated revenue information - Continued

Segments	For the period ended 30 June 2020				
	Aba N'000	Ikeja N'000	Onitsha N'000	Northern N'000	TOTAL N'000
Type of goods or service					
Sale of livestock feeds	723,903	2,502,654	376,495	1,316,559	4,919,611
Total revenue from contracts with customers	723,903	2,502,654	376,495	1,316,559	4,919,611
Geographical markets					
Within Nigeria	723,903	2,502,654	376,495	1,316,559	4,919,611
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	723,903	2,502,654	376,495	1,316,559	4,919,611
Timing of revenue recognition					
Goods transferred at a point in time	723,903	2,502,654	376,495	1,316,559	4,919,611
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	723,903	2,502,654	376,495	1,316,559	4,919,611

Performance obligations

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

Sale of Animal feeds

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

Contract balances	2021 N'000	2020 N'000
Trade receivables	17	254,317

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2021: N107.8 Million (2020: N91.82 million) was recognised as provision for expected credit losses on trade receivables.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

5. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Managing Director of Livestock Feeds Plc. The Managing Director with his leadership team 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 Managing Director and his leadership team members. Other information provided to the Directors 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.

	2021 N'000	2020 N'000
Revenue from contract with customers	7,001,744	4,919,611
Operating profit	479,520	220,705
Finance cost (Note 10)	(114,363)	(82,153)
Finance income (Note 9)	-	180
Profit before taxation	365,157	138,731
Income tax expense	(27,236)	(44,394)
Total assets	5,826,289	6,474,140
Total liabilities	3,415,589	4,401,362

Revenue

The company (all segments) produces animal feeds which is 100% of its turnover. Other products include Vet Drugs which is bought from other Companies for marketing and sales and full fat which is manufactured by the Company. Analysis of sales for the year is as follows:

	2021 N'000	2020 N'000
Aba	1,328,461	723,903
Ikeja	4,209,762	2,502,654
Onitsha Operations	545,804	376,495
Northern Operations	917,717	1,316,559
	7,001,744	4,919,611

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-30 June 2021

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	N'000	N'000	N'000	N'000	N'000
From external customers	1,328,461	4,209,762	545,804	917,717	7,001,744
Segment revenue	1,328,461	4,209,762	545,804	917,717	7,001,744
Cost of sales	(1,153,942)	(3,736,209)	(496,224)	(813,135)	(6,199,510)
Gross profit	174,520	473,553	49,580	104,582	802,234
Selling, marketing and distribution expense	(10,110)	(37,274)	(8,425)	(20,107)	(75,916)
Trading profit	164,409	436,279	41,155	84,475	726,318
Other income	2,377	4,662	-	502	7,541
Operating profit	166,786	440,941	41,155	84,976	733,859
Finance Cost	(23,450)	(85,165)	-	(5,749)	(114,363)
Contribution to margin	143,337	355,776	41,155	79,228	619,496

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

5. Segment information - continued	2021 N'000
Head Office	
Dividend income	275
Interest income	-
Laboratory income	664
Loss realised on Foreign currency	-
Insurance Claim	-
Gain on disposal of assets	195
Miscellaneous income	608
ITF Refund	-
Gain/Loss Realized Foreign Currency Revaluation	322
Expected credit loss	(15,977)
Administrative cost	(224,920)
Marketing Cost	(15,507)
Profit before tax	365,157

Segment assets and liabilities- 30 June 2021

Non-current assets	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
		N'000	N'000	N'000	N'000	N'000
Property,plant and equipment	336,962	234,760	241,369	6,391	6,391	825,872
Intangible assets	1,738	-	-	-	-	1,738
Prepayment (Due after one year)	-	-	-	-	-	-
Current assets	N'000	N'000	N'000	N'000	N'000	N'000
Inventory	1,379,479	1,052,279	1,318,998	63,885	330,670	4,145,311
Trade and other receivables	226,350	43,450	89,123	6,423	11,149	376,495
Refund assets	10,943	-	-	-	-	10,943
Short -term lease prepayments	41,568	1,880	20,663	-	-	64,110
Other financial asset	20,668	-	-	-	-	20,668
Cash and cash equivalents	377,079	3,265	782	4	24	381,153
	2,056,086	1,100,874	1,429,566	70,311	341,843	4,998,680

The inventory balance at the head office represents materials held in Livestock feeds Plc warehouses and those held at external warehouses in Lagos,Kano operations 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	N'000	N'000	N'000	N'000	N'000	N'000
Trade and other payables	722,176	29,012	52,761	24,656	33,013	861,618
Short- term borrowings	2,493,367	-	-	-	-	2,493,367
Refund liabilities	12,440	-	-	-	-	12,440
Dividend payable	20,768	-	-	-	-	20,768
Current tax payable	27,395	-	-	-	-	27,395
	3,276,147	29,012	52,761	24,656	33,013	3,415,589

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

5. Segment information - continued

Segmental revenue and operating profit -30 June 2020

	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	Total N'000
From external customers	723,903	2,502,654	376,495	1,316,559	4,919,611
Segment revenue	723,903	2,502,654	376,495	1,316,559	4,919,611
Cost of sales	(679,216)	(2,242,117)	(340,668)	(1,153,110)	(4,415,110)
Gross profit	44,687	260,537	35,827	163,450	504,501
Marketing and distribution expense	(7,587)	(84,885)	(11,683)	(10,418)	(114,573)
Trading profit	37,100	175,652	24,144	153,032	389,928
Other income	12,343	32,559	-	-	44,902
Operating profit	49,444	208,211	24,144	153,032	434,830
Finance expense	(29,021)	(53,132)	-	-	(82,153)
Contribution to margin	20,423	155,079	24,144	153,032	352,678

Head Office

Dividend Income	255
Interest income	180
Laboratory income	361
Gain on disposal of assets	-
Miscellaneous income	362
ITF refund	
Insurance Claim	200
Sale of scraps	670
Expected Credit Loss	(17,223)
Administrative cost	(175,977)
Marketing Cost	(22,773)
Profit before tax	138,731

Segment assets and liabilities- 31 December 2020

Non-current assets	Head office N'000	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	Total N'000
Property,plant and equipment	338,083	256,220	202,881	30,413	7,964	835,562
Intangible assets	-	-	-	-	-	-
Prepayment (Due after one year)	-	-	-	-	-	-
Current assets	N'000	N'000	N'000	N'000	N'000	N'000
Inventory	2,596,117	893,110	1,127,308	70,823	409,584	5,096,943
Trade and other receivables	314,061	9,145	19,026	12,739	100	355,071
Refund assets	10,147	-	-	-	-	10,147
Short -term lease prepayments	25,170	388	36,018	82	102	61,759
Other financial asset	20,668	-	-	-	-	20,668
Cash and cash equivalents	91,689	2,196	81	4	21	93,991
	3,057,852	904,840	1,182,433	83,647	409,808	5,638,578

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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Current liabilities	N'000	N'000	N'000	N'000	N'000	N'000
Trade and other payables	2,121,138	63,462	82,829	17,576	47,994	2,332,999
Short-term borrowings	1,993,367	-	-	-	-	1,993,367
Refund liabilities	11,194	-	-	-	-	11,194
Dividend payable	20,768	-	-	-	-	20,768
Current tax payable	43,034	-	-	-	-	43,034
	4,189,501	63,462	82,829	17,576	47,994	4,401,362

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

6. Capital management

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

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

		2021 N'000	2020 N'000
Trade and other payables	21	861,618	2,332,999
Interest-bearing loans and borrowings	23	2,493,367	1,993,367
Cash and short term deposit (Note 19)		<u>(381,153)</u>	<u>(93,991)</u>
Net debt		2,973,832	4,232,375
Total capital: Equity		<u>2,410,699</u>	<u>2,072,778</u>
Capital and net debt		5,384,531	6,305,152
Gearing ratio		55%	67%

No changes were made in the objectives, policies or processes for managing capital during the periods ended 30 June 2021 and 2020.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

7. Expense by Nature

	2021 N'000	2020 N'000
7i. Cost of sales		
Change in inventories of finished goods and work in progress	5,850,539	4,137,399
Salaries and other staff benefit*	149,537	113,467
Business travelling & entertainment expenses	8,394	6,971
Electricity and power	36,092	25,015
Depreciation of property, plant & equipment (Note 14)	72,676	74,739
Rent**	24,530	22,154
Security expenses	10,709	10,256
Local repair and renewal	20,140	9,185
Laboratory expenses	1,921	1,602
Vehicle repairs expenses	258	613
Sundry vehicle expenses	915	440
Other expenses ***	23,799	13,268
Total cost of sales	6,199,510	4,415,110

*** Other expenses includes subscription, research and development, uniforms, office stationery & printing, 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 (N3,473,661.55), (2020, N2,990,205.00)

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

	N'000	N'000
7ii. Selling and distribution		
Salaries and other staff benefit*	49,078	30,421
Business Travelling expenses	9,419	4,790
Distribution expenses	22,341	81,221
Corporate gifts/marketing investment	8,167	17,026
Depreciation of property, plant & equipment (Note 14)	96	319
Other expenses ***	2,322	3,569
Total selling and distribution	91,423	137,346

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

*Salaries & Other benefits include

Employer's Pension (N1,860,397.82) (2020, N1,249,082.17)

	N'000	N'000
	2021	2020
7iii. Administrative expenses		
Salaries and other staff benefit*	62,917	49,862
Consultancy	13,688	7,836
Auditor's fee	5,106	3,959
Subscription	3,134	2,982
Corporate public relations	8,394	5,886
AGM expenses	5,000	5,000
Internet/e-mail charges	26,414	8,491
Depreciation of property, plant & equipment (Note 14)	4,685	4,192
Amortisation of intangible assets (Note 15)	-	-
Insurance	9,440	7,697
Management service fees (Note 28)	68,431	48,291
Bank charges	5,280	3,666
Other expenses ***	12,430	28,115
Total administrative expenses	224,920	175,977

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

*Salaries & Other benefits include Employer's Pension (N2,816,101.43), (2020, N2,343,847.12).

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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	2021 N'000	2020 N'000
8. Other operating income		
Sale of sacks	6,985	4,693
Laboratory income *	673	378
Weighing income**	312	283
Sales of scrap	143	671
Gain on disposal of property, plant and equipment	195	-
Gain/Loss Realized Foreign Currency Revaluation	322	-
Registration fees & other miscellaneous	701	417
Dividend Income	275	255
ITF Refund	-	200
Insurance Claim	-	39,853
Government grant*** (Note 23.1)	9,606	46,750

* The company has Laboratories in Ikeja mill and Aba mill where third parties come for Lab analysis and pay for this service.

** Third parties made use of Livestock feeds Plc weighbridge to weigh their trucks and goods in Ikeja mill and Onitsha operation during the year.

*** Government grant is the savings made on interest paid on facilities obtained from Central Bank of Nigeria through Union Bank Plc which is Federal government agriculture intervention fund (CACS). The CACS has been fully liquidated on 9th November 2020. The facility was obtained at an interest rate of 8% as against prevailing 16% commercial rate. The CACS fund was further reduced to 5% interest rate in March 2020 this was in line with CBN circular issued in February 2020. This was a policy by the CBN in response to COVID 19 outbreak and spillovers.

	2021 N'000	2020 N'000
9. Interest revenue		
Interest income on short-term bank deposits	-	-
Interest Income - Unclaimed Dividend	-	180
	-	180

10. Finance Expense

Interest on loans	(114,363)	(42,300)
Government grants	(39,853)	
	(114,363)	(82,153)

11. Profit before taxation

Profit before taxation is stated after charging:

Amortisation of intangible assets (Note 15)	-	-
Depreciation (Note 14)	77,238	79,250
Auditors remuneration (Note 7iii)	5,106	3,959
Staff cost	261,532	193,750

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

12. Income tax

The major components of income tax expense for the periods ended 31 December

Statement of profit or loss	2021 ₦'000	2020 ₦'000
Current income tax:		
Income tax charge	17,504	41,619
Education tax charge	9,732	2,775
	<hr/> <u>27,236</u>	<hr/> <u>44,394</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Charge for the year	-	-
Income tax expense reported in the statement of profit or loss	<u>27,236</u>	<u>44,394</u>

Reconciliation of tax expense and the accounting profit multiplied by Nigeria's domestic tax rate of 30% for 2019 and 2020:

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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Reconciliation of income tax payable

As of 1 January	43,034	6,427
Income tax expense for the year	27,236	42,884
Payment during the year	(41,160)	(6,277)
Wht credit notes utilized during the year	(1,715)	-
As at 30 June	27,395	43,034

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.

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

	2021 N'000	2020 N'000
Earnings attributable to ordinary equity holders for basic earnings	337,921	94,337
Average number of ordinary shares for basic EPS	Thousands 2,999,999	Thousands 2,999,999
Basic earnings per share (Kobo)	11.26	3.14
Diluted earnings per share (Kobo)	11.26	3.14

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.

LIVESTOCK FEEDS PLC
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14. Property, plant and equipment

	Leasehold Land N'000	Building N'000	Machinery & Equipment N'000	Motor Vehicles N'000	Office Equipment N'000	Computer equipment N'000	Capital work in progress N'000	Total N'000
1 January 2020	75,000	316,836	947,857	155,526	36,264	40,016	197,765	1,769,264
Additions	-	903	7,198	-	1,842	5,468	116,190	131,600
Disposal	-	-	(4,171)	(16,690)	-	(233)	-	(21,094)
Reclassification	-	3,947	19,892	6,880	-	-	(30,719)	-
31 December 2020	75,000	321,686	970,776	145,716	38,106	45,251	283,236	1,879,770
Additions		3,220	8,472	2,894	3,612	6,009	63,685	87,892
Disposal				(2,465)				(2,465)
Reclassification			50,021	6,477	10,684		(67,181)	-
Adjustments							(20,344)	(20,344)
30 June 2021	75,000	324,906	1,029,269	152,621	52,402	51,261	259,395	1,944,854
Accumulated depreciation								
1 January 2020	64,488	152,290	516,570	116,300	26,620	34,333	-	910,601
Depreciation for the year	8,411	10,039	107,165	18,887	4,688	5,116	-	154,306
Disposal	-	-	(3,849)	(16,620)	-	(230)		(20,699)
31 December 2020	72,899	162,329	619,886	118,567	31,308	39,219	-	1,044,208
Depreciation charge for the year	2,101	5,123	54,533	10,521	2,496	2,463		77,238
Disposal				(2,465)				(2,465)
30 June 2021	75,000	167,452	674,420	126,623	33,804	41,683	-	1,118,982
Net book value								
At 30 June 2021	0	157,453	354,849	25,998	18,598	9,578	259,395	825,872
At 31 December 2020	2,101	159,356	350,889	27,149	6,798	6,032	283,236	835,562

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

The assets of the Company were assessed for impairment at the period ended 30 June 2021, no impairment indicators was identified (2020: Nil).

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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15. Intangible assets

	2021 N'000	2020 N'000
Computer software with definite useful life		
Cost:		
At 1 January	13,069	13,069
Additions	1,955	-
At 30 June	15,024	13,069
Amortisation		
At 1 January	13,069	13,033
Amortisation	217	36
At 30 June	13,286	13,069
Carrying value	1,738	-

Computer software consists of acquisitions costs of software used in the day-to-day operations of the Company. These assets were tested for impairment and no impairment loss was recognised during the period ended 30 June 2021 (2020: Nil).

16. Inventories

	2021 N'000	2020 N'000
Raw materials	2,628,746	4,519,420
Finished goods	409,814	120,620
Vet Drugs	529,984	397,460
Engineering spares	60,074	48,301
Diesel	4,936	3,955
Inventory with third party for conversion **	510,625	6,719
Other consumables	1,132	468
	4,145,311	5,096,943

During 2021, there was no material written off Inventories by the Company (2020: Nil), In addition, the Company recognised N5,850,539,341.29 (2020:

N4,137,400,363.84) 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 Apple & Pears Ltd for conversion of raw seeds soya to Soya bean meal and raw materials(Maize,Soya Beans etc) at Northern Rice Oil Mills Ltd Warehouse in Kano for Production of Animal Feeds.

17. Trade and other receivables

	2021 N'000	2020 N'000
Receivables from third-party customers	254,317	123,727
Advance to suppliers*	14,740	310,764
Allowance for expected credit losses	(107,800)	(91,823)
	161,257	342,668
Related Parties(Note 24)	170,000	-
Other receivables*	45,238	23,655
	376,495	366,323
Refund asset	10,943	10,147
	387,438	376,470

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

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

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

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

	2021 N'000	2020 N'000
As at 1 January	(91,823)	(83,832)
Provision for expected credit losses	(15,977)	(7,991)
At 31 December	(107,800)	(91,823)

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

LIVESTOCK FEEDS PLC
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Debt instruments 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.

Debt instruments measured at amortised cost

	2021	2021	
	<i>Stage 1</i>	<i>Simplified Model</i>	<i>Total</i>
	<i>Individual</i>	<i>Collective</i>	<i>N'000</i>
Internal grading system			
Standard grade	-	254,317	254,317
	=====	=====	=====
	-	254,317	254,317
	=====	=====	=====

Debt instruments measured at amortised cost

	<i>Stage 1</i>	<i>Simplified Model</i>	<i>Total</i>
	<i>Individual</i>	<i>Collective</i>	<i>N'000</i>
ECL allowance as at 1 January 2021	-	(91,823)	(91,823)
New assets originated or purchased	-	(15,977)	(15,977)
	=====	=====	=====
	-	(107,800)	(107,800)
	=====	=====	=====

Refund assets

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

(In thousands of naira)	2021	2020
As at 1 January	10,147	7,361
Amount deferred as a result of unexpired rights	10,943	10,147
Cost of sales recognized in the period from:		
Expired right not exercised	(10,147)	(7,361)
As at 30 June	10,943	10,147

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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18. Prepayments

	2021 N'000	2020 N'000
Due within one year		
Others**	49,406	12,769
Short-term lease prepayments Note 18.1	5,186	18,975
Insurance	9,518	18,763
	64,110	50,507

Reconciliation of Prepayment

	2021 N'000	2020 N'000
As at 1 January	50,507	84,314
Additions	85,090	105,612
Amortization	(71,487)	(139,419)
As at 30 June	64,110	50,507

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

	2021 N'000
The following are the amounts recognised in profit or loss:	
Expense relating to short-term leases (included in Cost of sales and administrative expenses)	24,716

18. 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 31 July 2021. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company applies the short-term lease recognition exemption for these leases.

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

19. Cash and short term deposit

	2021 N'000	2020 N'000
Cash on hand	88	70
Cash at banks	166,442	93,921
	166,527	93,991

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

19.1. Call deposit

Short term deposit with FBN	214,626	-
	214,626	-

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 N214.63m is the utilised fund as at June 30 2021 which has been invested in an interest yielding account.

19.2. Other financial asset(Unclaimed dividend funds)

Short term deposit*	20,668	20,668
	20,668	20,668

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

19.3. Interest Income earned on Unclaimed dividend funds

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

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

	2021 N'000	2020 N'000
Cash on hand, cash at bank and short term deposit	166,527	93,991

LIVESTOCK FEEDS PLC
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20. Issued capital and reserves	N'000	N'000
Authorised shares		
4,000,000,000 ordinary shares of 50Kobo each	2,000,000	2,000,000
Ordinary shares issued and fully paid		
2,999,999,418 ordinary shares of 50kobo each	1,500,000	1,500,000
Share premium		
At 1 January	693,344	693,344
At 30 June	693,344	693,344
21. Trade and other payables		
Trade Payables(Note 21)	513,376	1,607,808
Related parties (Note 24)	114,003	503,007
Other payables (Note 21.1)	234,239	222,184
Refund liabilities	861,618	2,333,000
	12,440	11,194
	874,058	2,344,194

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- For terms and conditions with related parties, refer to Note 25

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

21.1 Other payables	2021 N'000	2020 N'000
VAT payable	87	190
Accrued liabilities	226,601	211,201
WHT Payable	7,551	10,793
	234,239	222,184
21.2 Refund liabilities		
Refund liabilities	12,440	11,194
	246,679	233,378

Refund liabilities

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

(In thousands of naira)	2021	2020
As at 1 January	(11,194)	(7,991)
Effect of adoption of IFRS 15		
Amount deferred as a result of unexpired rights	(11,194)	(11,194)
Revenue recognized in the period from:		
Expired right not exercised	11,194	7,991
As at 30 June	(12,440)	(11,194)

Net refund liabilities consist of the following at December 31:

(In thousands of naira)	2021	2020	Change	Change
Refund assets	10,943	10,147	796	8%
Refund liabilities	(12,440)	(11,194)	(1,246)	11%
Net refund liabilities	(1,497)	(1,047)	(450)	43%

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

22. Dividend payable

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

	2021 N'000	2020 N'000
As at 1 January	(20,768)	(20,768)
As at 31 December	<u>(20,768)</u>	<u>(20,768)</u>

23. Interest-bearing loans and borrowings

Borrowings Current portions	2021 N'000	2020 N'000
Borrowings(CBN CACS FUND)	-	-
Commercial Loan-FBN	1,993,367	1,993,367
Commercial Loan-ZBN	500,000	500,000
	<u>2,493,367</u>	<u>1,993,367</u>

Reconciliation of interest-bearing loans and borrowings

As at 1 January	1,993,367	955,273
Proceeds from borrowings	500,000	2,293,367
Initial fair value of grant	-	(16,104)
Accrued interest	-	60,831
FBN Loan Repayment	-	(300,000)
CACS Fund Repayment	-	(1,000,000)
As at 30 June	<u>2,493,367</u>	<u>1,993,367</u>
Maturity		
0 - 1 year	2,493,367	1,993,367
Over 1 year	-	-
Total	<u>2,493,367</u>	<u>1,993,367</u>

The company also drew down between November and December 2020 N1.993 billion out of the N2 billion commercial loan granted by FBN @10% interest rate which the bank has given a further interest rate concession by reducing it to 9%. This facility is repayable within 270 days. In February 2020, N500 million facility @ 10% commercial loan was disbursed by Zenith bank out of the N2 billion facility granted..

In 2018, the Company obtained a Commercial Agriculture Credit Scheme (CACS) loan of N2 billion at an interest rate of 8% for 1 year through Union Bank Of Nigeria out of which N500 million was paid back in September 2018 another N500 million was paid back in July 2019 leaving a balance of N1 billion which was renewed in November 2019 and this has been fully paid in 2 tranches of N500 million each in September and November 2020. The interest rate on the N1 billion CACS fund was reduced from 8% to 5%) in line with the CBN circular.

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.

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	Management service fees N'000	Purchases from related parties N'000	Sales to related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
As at 30 June 2021					
Entity with control over the Company:					
UAC of Nigeria Plc	68,431	18,837	-	-	13,251
Other related party					
Grand Ceareal Nigeria Limited	-	883,012	636,464	170,000	100,752
	68,431	901,849	636,464	170,000	114,003

As at 31 December 2020

Entity with control over the company:

UAC of Nigeria Plc	111,539	10,225	-	31,852
Other related party:				
Grand Cereal Nigeria Limited	-	2,562,433	784,728	-
	111,539	2,572,658	-	471,156
				503,007

Terms and conditions of transactions with related parties

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

25. Commitments and contingencies

Commitments

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

Legal claim contingency

There is no contingent liability arising as a result of legal litigation in the year.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

26. Financial assets and financial liabilities

26.1 Financial assets

	2021 N'000	2020 N'000
Cash and short term deposit (note 19)	166,527	93,991
Trade and other receivables (Note 17)	<u>191,755</u>	<u>342,668</u>

Debt instruments at amortised cost include trade receivables.

26.2 Financial liabilities

	2021 N'000	2020 N'000
Borrowing (Note 23)	(2,493,367)	(1,993,367)
Trade and other payables (Note 21)	<u>853,980</u>	<u>2,322,016</u>

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 fair value.

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 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 for and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

LIVESTOCK FEEDS PLC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

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 exposed to this risk as the Company has no long-term debt obligations.

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 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:

	On N'000	Less than N'000	3 to 12 N'000	1 to 5 N'000	> 5 years N'000	Total N'000
Period ended 30 June 2021						
Trade and other payables	-	681,283	170,588	2,109	-	853,981
Interest-bearing loans and borrowings			2,493,367			2,493,367
	-	681,283	2,663,955	2,109	-	3,347,348
Period ended 31 December 2020						
	On N'000	Less than N'000	3 to 12 N'000	1 to 5 N'000	> 5 years N'000	Total N'000
Trade and other payables	-	2,322,016	-	-	-	2,322,016
Interest-bearing loans and borrowings		1,993,367				1,993,367
	-	4,315,383	-	-	-	4,315,383

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:

		2021	2020
Cash and short term deposits			
Euro		€ 379	€ 379
United State Dollar (USD)		\$ 16,229	\$ 15,826
Pound sterling		£ 450	£ 450

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's loss 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.

	30 June 2021		31 December 2020	
	Change in	Effect on profit	Change in	Effect on profit
	USD rate	before tax N'000	USD rate	before tax N'000
	+10%	565	+10%	565
	-10%	(565)	-10%	(565)

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

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.

(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 security deposits for credit transactions while others are granted credit on the strength of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

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

	2021	2020
	N'000	N'000
Cash at bank and short-term bank deposits A+(nga)	187,110	114,589
Unrated cash and cash equivalents	88	70
Unrated trade and other receivables	191,755	366,323
Maximum credit exposure	378,953	480,982

(iii) Impairment of trade receivables

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

LIVESTOCK FEEDS PLC
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE PERIOD ENDED 30 JUNE 2021

26.4 Financial instruments risk management objectives and policies - continued

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

	30-Jun-21	Days past due					Total N'000
		Current N'000	<90 days N'000	90–180 days N'000	180–360 days N'000	>360 days N'000	
		Expected credit loss rate	4.97%	5.31%	6.66%	100.00%	
Estimated total gross carrying amount at default	114,508		21,005	19,077	17,258	82,470	254,317
Expected credit loss	(5,686)		(1,115)	(1,271)	(17,258)	(82,470)	(107,800)

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

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

		2021 N'000	2020 N'000
In thousands of Naira			
Balance as at 1 January 2021		(91,823)	(83,832)
Provision for expected credit losses		(15,977)	(7,991)
Balance at 30 June		<u>(107,800)</u>	<u>(91,823)</u>

LIVESTOCK FEEDS PLC**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021****26.4 Financial instruments risk management objectives and policies - continued****Impairment allowance for financial assets**

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

- Any publicly available information on the Company's customers and counter parties from Internal parties. This includes Internal rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Company's performance.

The table below shows the Company's internal credit rating grades.

Internal rating grade	12 month PD range	Implied S&P rating
1	0.58%	Very Good+
2	1.42%	Very Good
3	2.43%	Very Good-
4	16.3%	Good+
5	28.05%	Good
7	41.03%	Average+
8	100	Bad
Non- performing		
9	100%	Very Bad

Trade receivables			2020
Internal grading system	Simplified Model		
	Collective N'000	Total N'000	Total N'000
Standard grade	254,317	254,317	123,727
	=====	=====	=====
	254,317	254,317	123,727
	=====	=====	=====

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.

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FOR THE PERIOD ENDED 30 JUNE 2021

27. 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	2021	2020
	Number	Number
Direct	49	49
Admin	12	13
Sales & Marketing	20	19
	81	81
 N500,001-N600,000	2	2
N600,001-N700,000	1	1
N700,001-N800,000	2	2
N800,001-N1,000,000	5	5
N1,000,001-N1,200,000	5	5
N1,200,001-N1,300,000	1	1
N1,300,001- N1,500,000	24	23
Above N1,500,000	41	42
	81	81

Staff costs for the above persons (excluding Directors):

	2021	2020
	N'000	N'000
Salaries and wages	253,382	189,984
Pension cost	8,150	3,766
	261,532	193,750

28. Technical support agreements

The company has commercial services agreement with UACN Plc for support services. Expense for management services fee (representing 1% of turnover of the Company) is N68.43million (2020: N48.29million).

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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD ENDED 30 JUNE 2021

31. Livestock Feeds Plc-Free Float Computation

Company Name:	Livestock Feeds Plc
Board Listed:	Main Board
Period End:	June 30
Reporting Period:	30 June 2021
Share Price at end of reporting period:	N1.90(2020: N0.50)

Shareholding Structure/Free Float

Description	30-Jun-21		30-Jun-20	
	Units	Percentage	Unit	Percentage
Issued Share Capital	2,999,999,418	100%	2,999,999,418	100%
Substantial Shareholdings(5% and above)				
UAC of Nigeria Plc	2,198,745,772	73.29%	2,198,745,772	73.29%
Total Substantial Shareholdings	2,198,745,772	73.29%	2,198,745,772	73.29%
Directors' Shareholdings(direct and indirect), excluding directors with substantial interests				
Mr. Joseph Dada	-	-	-	-
Mr. Adebolanle Badejo	-	-	-	-
Mr. Adegboyega Adedeji	-	-	-	-
Mrs. Bolarin Okunowo	-	-	-	-
Mr. Daniel Obaseki	-	-	-	-
Mr Abayomi Adeyemi	-	-	-	-
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	801,253,646	26.71%	801,253,646	26.71%
Free Float in Value	N1,514,369,390.94		N400,626,823	

Declaration:

(A) Livestock Feeds Plc with a free float percentage of 26.71% as at 30 June 2021, is compliant with the Exchange's free float requirements for companies listed on the Main Board.