



Content

- 2 Our Vision
- 4 Our Mission
- 5 Corporate Strategy
- 8 Company Profile
- 9 Financial Highlights
- 10 Chairman's Statement
- 14 Notice of Meeting
- 16 Board of Directors, Professional Advisers, etc
- 18 Statement of Directors' Responsibilities
- 20 Directors' Report
- 42 Board of Directors
- 46 Salient Performance Graphs
- 47 Report of the Auditors
- 49 Report of the Audit Committee
- 50 Statement of Significant Accounting Policies
- 52 Group Value Added Statement
- 53 Group Profit & Loss Account
- 54 Group Balance Sheet
- 55 Group Cash Flow Statement
- 56 Notes to the Financial Statements
- 71 Analyses of Group Turnover, Operating Profit & Employment of Funds
- 72 Group Five-Year Financial Summary
- 73 Shareholders' Information





Vision

To be **No.1** in our chosen markets, providing exceptional value to our customers.





...what a delicious experience!



Quick Service Restaurant



Mission

To experience the thrill of **adding value to lives and businesses by being a superior convenience provider.**





Corporate Strategy

Our corporate strategy is essentially to be a Food Focused Business with emphasis on businesses and market segments that offer the highest potentials. Investments will be targeted at profitable growth and creation of shareholders' value.





SUPREME
Ice Cream







Profile



UAC of Nigeria PLC is largely a Nigerian owned public company with 20% of the company's issued shares held by Actis International.

As one of the largest diversified businesses in the private sector, UAC of Nigeria PLC distributes its products and services throughout the country. The company operates in the foods, manufacturing, logistics, automobile and real estate sectors of the economy.

UAC of Nigeria PLC is proud of its commercial expertise, efficiency, technical skills and high ethical standards.



Financial Highlights

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Turnover	28,403,237	27,118,696	17,507,587	16,982,650
Operating profit before taxation	3,058,344	2,918,381	2,728,926	2,477,128
Exceptional items	835,324	(193,539)	(268,385)	(168,204)
Profit before taxation	3,893,668	2,724,842	2,460,541	2,308,924
Taxation	(1,074,352)	(915,581)	118,606	(533,410)
Profit after taxation	2,819,316	1,809,261	2,579,147	1,775,514
Extraordinary items (net of tax)	866,165	—	(1,213,835)	—
Minority interest	(481,892)	(179,352)	—	—
Profit after taxation and minority interest and extraordinary items	3,203,589	1,629,909	1,365,312	1,775,514
Capital expenditure	2,604,594	3,178,556	2,158,679	2,768,289
Shareholders funds	16,099,218	14,180,253	14,062,558	13,981,870
Earnings per share (kobo)	249	127	106	138
Dividend per share (kobo)	100	100	100	100
Net assets per share (kobo)	1,355	1,174	1,095	1,088
Share price at year-end (kobo)	2,645	1,700	2,645	1,700



Chairman's Statement



"Our projections indicate growth in all areas and we are committed to achieving them."

Distinguished Shareholders,

It is with great pleasure that I welcome you to the historic city of Calabar for this year's Annual General Meeting of our Company, UAC OF NIGERIA PLC (UACN), and to present to you the Annual Report and Accounts for the financial year ended 31st December, 2006. As it is customary, I will like to briefly review the developments in the business environment during the year, which impacted on the business performance of the Company.

BUSINESS ENVIRONMENT

The business environment in 2006 was characterized by a mix of positive and negative factors. The positives included the continuation of a stable exchange rate regime and moderate inflationary environment, moderate domestic interest rates for the corporate sector and slight improvement in consumer purchasing power; albeit most went into consumption of telecom services. The decision of the government to hold constant the price of fuel helped to ensure the stability of its cost, but, on the other hand, the lack of improvement in the electricity supply situation continued unabated. This worsened

Lt General M. I. Wushishi (rtd), CFR, GCON, FSS, PSC
Chairman



towards the end of the year with acute scarcity of refined petroleum products resulting in higher production costs and lower consumer purchasing power.

The continued high prices in the international oil markets meant that Nigeria and other oil exporting nations continued to reap windfall incomes. Unfortunately, due to the upsurge in militancy in the Niger-Delta, which reduced production reportedly by as much as 25%, Nigeria was unable to take full advantage of the windfall. The open discord between the President and Vice-President raised the perceived risk attached to the 2007 political transition programme and became a cause for concern both domestically and internationally. The other significant concern apart from the political environment is the risk of policy reversal and, therefore, the need for sustainability and institutionalization of the economic reforms recorded since the return to civil rule in 1999 and, particularly, from 2003. Institutionalizing these reforms, in our view, through appropriate legislation and regulatory systems, would guarantee the continuation of the improving business and economic environment beyond the 2007 transition.

In general terms, while consumer spending rose, the increased spending was insufficient to allow significant volume growth in the manufacturing sector, especially as energy and infrastructural costs remained high. The avian influenza ("bird flu") outbreak in the world and in many parts of Nigeria in 2006 affected the performance of the agro-allied and foods sector as the demand for poultry feeds declined drastically. Consumer concerns about the safety of chicken-based products also affected the performance of the quick-service restaurant business. This, of course, reflected in the performance of some of our businesses. Though "bird flu" concerns have not been completely extinguished, its effects have, however been ameliorated by the continuous enlightenment programmes embarked upon by operators of fast food restaurants with UAC of Nigeria Plc taking a visible lead, and the activities of the government to allay the fears of the citizenry on the consumption of chicken.

PERFORMANCE OF THE GROUP

Overall, the UACN Group achieved a turnover of ₦28.4 billion and profit before tax of ₦3.893 billion. The 43% growth in profit before tax was accentuated by profit from disposal of fixed assets of ₦1.17 billion. Profit after taxation, minority interest and extraordinary items stood at ₦3.2 billion, an increase of 97% or ₦1.6billion over 2005 performance. As you will notice in the report, we have taken steps to reflect on the Balance Sheet the diminution/impairment in the values of certain assets in consideration of their nature, intended use, technology and business discontinuity. It is instructive to add that as part of our corporate strategy, our portfolio is being reviewed to align our investments with future favourable trend. Thus, we liquidated our holding in Tractor & Equipment Nigeria Limited as a step aimed at redirecting our resources and strengthening our business for the long haul.

DIVIDEND

Notwithstanding the significant impairment taken by your Company in 2006, the Board is pleased to recommend a dividend of ₦1,284,624,258 amounting to ₦1 per share. Thus, we maintained the dividend pay out for the previous year.



Chairman's Statement Continued

FOODS BUSINESS RESTRUCTURING

In the course of the year, the Foods businesses of the Company were restructured to position them for the challenges in the market place. The business structure prior to the exercise accommodated rather unrelated business units, thereby affecting their operational and strategic coherence and sub-optimizing efficiency. To this end, the ice cream section of the UAC FOODS evolved into a new stand alone business unit named UAC DAIRIES. UAC DAIRIES, apart from continuing with the production and marketing of ice cream, will also venture into other aspects of the dairy market for growth. The former MR BIGG'S Division evolved into UAC RESTAURANTS, which now runs the food courts in addition to MR BIGG'S restaurants. The Central Kitchen Units of the former MR BIGG'S Division was, however, excised and merged with the rump of UAC FOODS for synergy and to capture new opportunities. Another Division named UAC FRANCHISING has also been established. This Division manages franchise relationship of licensed international brands of Innskor Foods, Zimbabwe and Nandos, South Africa alongside the franchise operations of Mr Bigg's. The UAC Group seeks to increase and leverage the corporate brand across all businesses as this new strategic thrust evolves.

FUTURE OUTLOOK

We are confident that we are on the right path in terms of our new strategic posture and business focus of the Group. As things now stand, UAC is well-positioned to enhance sustainable growth and improve shareholder return. The company will place strong emphasis on strategy execution in order to efficiently and effectively realize the expected gains. Our projections indicate positive growth in all areas and we are committed to achieving them. Looking ahead, we see good opportunity for continued strong profitable growth.

BOARD CHANGES

During the year, Mr Mohammed Mohammed Wahby and his alternate, Mr Hywel Rees-Jones resigned from the Board. They were replaced by Mr Simon Guy Harford as a substantive Director and Mr Benson Adekunle Adenuga as the Alternate Director to Dr Nkosanna Donald Moyo and Mr Simon Guy Harford respectively. Also, the erstwhile Group Managing Director/CEO, Dr Joshua Ayodele Ajayi retired from the Company. On your behalf, I thank Mohammed and Hywel for their contributions while on the Board and wish Ayo happiness and good health in retirement and success in his future endeavours. The Board has appointed Mr Larry Ephraim Ettah as the Group Managing Director/CEO of the Company, effective 1st January, 2007. Larry was until his appointment, a member of the Board and Head of Human Resources of the Company. On behalf of my colleagues and all the shareholders, I wish him a successful tenure.

CLOSING

In closing, I would like to express my gratitude to all our esteemed shareholders for your support and to my colleagues on the Board for their co-operation. I also thank all members of the Management and Staff of the Company for their diligence and resourcefulness. Thank you all.

Grand
PURE SOYA OIL





Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the next Annual General Meeting of the Members of UAC of Nigeria Plc will be held at the Ashbury Conference Hall, The Mirage, Plot 230, State Housing Estate, MCC Road, Calabar, Cross River State on Wednesday, 23rd May, 2007 at 10.00 o'clock in the forenoon in order to transact the following businesses:

Ordinary Business

1. Lay before the Members the Report of the Directors, the Consolidated Balance Sheet of the Company as at 31st December, 2006, together with the Consolidated Profit & Loss Account for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
2. Declare a Dividend
3. Re-elect/Elect Directors
4. Authorize the Directors to fix the remuneration of the Auditors
5. Elect Members of the Audit Committee

Special Business

6. Fix the remuneration of the Directors

A Member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him, and such a proxy need not be a member of the Company. A proxy form is enclosed and if it is to be valid for the purposes of the Meeting, it must be completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

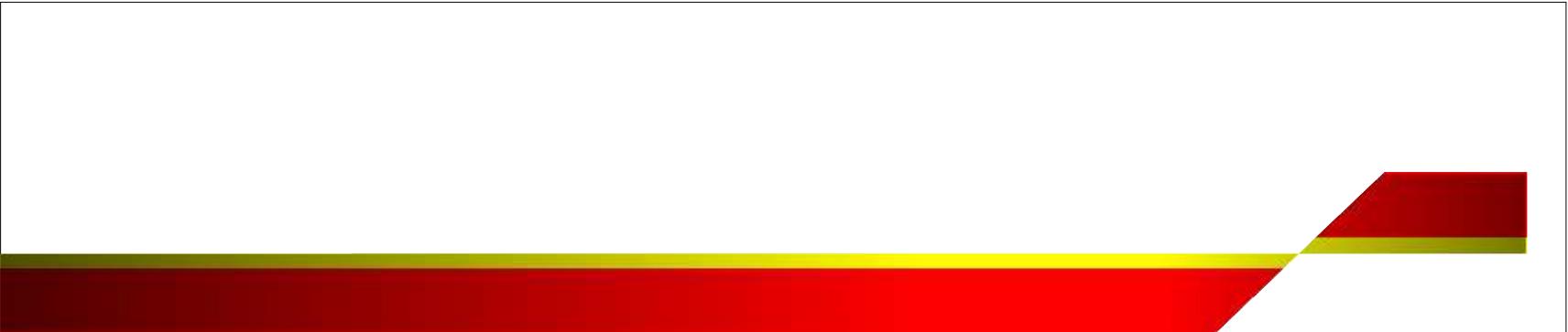
Dated this 11th day of April, 2007.

By Order of the Board

GODWIN A. SAMUEL, Esq.,
Company Secretary/Legal Adviser

Registered Office
Niger House
1-5 Odunlami Street,
Lagos.

Godwin A. Samuel
Company Secretary/Legal Adviser



NOTES:

Dividend

In view of the results, the Directors recommend to members the payment of a dividend of N1.00k per 50k share. A resolution to this effect will be put to the meeting for the approval of the Members.

Dividend Warrants

If payment of the dividend is approved, the warrants will be posted on 22nd June, 2007 to shareholders, whose names are on the Register of Members on 11th May, 2007.

Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from 14th to 16th May, 2007, both dates inclusive, for the purposes of payment of the dividend.

Audit Committee

The Audit Committee consists of three (3) shareholders and three (3) Directors. Any member may nominate a shareholder as a member of the Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

Unclaimed Share Certificates & Dividend Warrants

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



Board of Directors, Professional Advisers etc.

Chairman

Lt-Gen Mohammed Inuwa Wushishi (rtd) CFR, GCON, FSS, PSC

Nkosanna Donald Moyo retire by rotation at this meeting and being eligible, offer themselves for re-election.

Group Managing Director/Chief Executive Officer
Mr Larry Ephraim Ettah

Record of Directors' Attendance

In accordance with section 258(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, the record of Directors' attendance at Board Meetings during the year 2006 is available for inspection at this Annual General Meeting.

Directors

Dr Joshua Ayodele Ajayi – <i>retired wef 1/1/07</i>	
Alhaji (Dr) Mohammed Hassan Koguna	– <i>non-executive</i>
Senator Udoma Udo Udoma	– <i>non-executive</i>
Mr Victor Gabriel Hammond	– "
Chief Samuel Olaniyi Bolarinde	– "
Mr Olayiwola Adetunji Adetomiwa	– <i>executive</i>
Dr Nkosana Donald Moyo (Zimbabwean)	– <i>non-executive</i>
Mr Mohammed Mohammed Wahby (Italian)	– <i>resigned wef 15/11/06</i>
Mr Simon Guy Harford (British)	– <i>appointed wef 06/12/06</i>
Mr Benson A Adenuga	(<i>alternate to Dr Nkosana Moyo and Mr Simon G Harford</i>)

Company Secretary/Legal Adviser
Godwin Abimbola Samuel, Esq.

Board Changes

Since the last Annual General Meeting, Dr Joshua Ayodele Ajayi had retired as the Group Managing Director after 35 years of meritorious service to the Company. The Board has appointed Mr Larry Ephraim Ettah as the new Group Managing Director of the Company. Also, Mr Mohammed Mohammed Wahby and his alternate director, Mr Hywel Rees-Jones resigned from the board. They were replaced by Mr Simon Guy Harford as a substantive director and Mr Benson Adekunle Adenuga as the alternate director to both Dr Nkosana Moyo, and Mr Simon Guy Harford who will be presented for election at the meeting in accordance with the law.

Registrars
UAC Registrars Limited

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

Retirement by Rotation

In accordance with the Articles of Association of the Company, Lt-Gen Mohammed Inuwa Wushishi (rtd) and Dr

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

In accordance with Section 375(2) of the Companies & Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, PricewaterhouseCoopers will continue in office as Auditors without a resolution being passed. A resolution will, however, be proposed at this meeting authorizing the directors to fix their remuneration.



MDS
MDS LOGISTICS



Directors' Responsibility

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



Mr. Larry E. Ettah
Group Managing Director/
Chief Executive Officer

The following statement, which should be read in conjunction with the Auditors' statement of their responsibilities as set out in their report on page 47, is made with a view to distinguishing for shareholders, the respective responsibilities of the Directors and the Auditors, in relation to the accounting requirements of the companies in the group.

In accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, the directors are responsible for the preparation of annual financial statements which give a true and fair view of the position of the company and the group and of the profit or loss for the financial year.

The directors' responsibilities also include ensuring that:

- (a) appropriate internal controls are established to safeguard the assets of the company and the group, and to prevent and detect fraud and other irregularities;
- (b) the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and the group and which ensure that the statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004;
- (c) the company and the group have used suitable accounting policies consistently applied and supported by reasonable and prudent judgement and estimates and that all applicable accounting standards have been followed;

It is also the responsibility of the directors to be satisfied that it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the company and the group will not continue in business.





Directors' Report

The directors have pleasure in submitting to the members, the Consolidated Balance Sheet as at 31st December, 2006 together with the Consolidated Profit and Loss Accounts for the year ended on that date, showing a net consolidated profit of N3,204 million after providing for taxation of N1,074 million and the transfer of Minority Interest share of profits amounting to N482 million.

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

DIVIDEND

The Directors have recommended the payment of N1.00 dividend per 50k share for the year.

PROFIT FOR THE YEAR AFTER TAXATION	2006 N'000	2005 N'000
Group profit for the year after taxation, minority interest and extraordinary items	3,203,589	1,629,909

PRINCIPAL ACTIVITIES

UAC of Nigeria Plc is a diversified business with activities in the following principal sectors: Foods, Manufacturing, Automobile, Logistics and Real Estates.

CORPORATE GOVERNANCE

The Board is responsible for controlling and managing the business of the Company, keeping of proper books of accounts which disclose with reasonable accuracy from year to year, the financial position of the Company and ensuring their compliance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004. It is also responsible for safe-guarding the assets of the Company by taking reasonable steps for the prevention and detection of fraud and other irregularities.

During the year under review, the Company was managed by a Board of ten members, made up of three executive directors and seven non-executive directors including the Chairman. It ensured the implementation of the Company's objectives through the following committees.

1. General Purposes Committee
Lt. - Gen M I Wushishi (rtd) Chairman
Dr. J A Ajayi Member
Mr. O A Adetomiwa "
Mr. L E Ettah "
Chief S O Bolarinde "
Mr. V G Hammond "
Dr. N D Moyo "



2.	Remuneration & Compensation Committee	
	Lt. - Gen. M I Wushishi (rtd)	Chairman
	Dr. J A Ajayi	Member
	Senator U U Udoma	"
	Mr. V G Hammond	"
	Dr. N D Moyo	Member
	Mr. L E Ettah	Member/Secretary

The company has complied with the provisions of the Code of Best Practices on Corporate Governance in Nigeria (2003).

DIRECTORS' INTERESTS In Ordinary Shares

Directors	December, 2006 ordinary shares	December, 2005 ordinary shares
Lt. - Gen. M.I. Wushishi (rtd), CFR, GCON, FSS, PSC	464,000	464,000
Dr. J. A. Ajayi }direct	3,166,622	2,000,000
}indirect	3,020,650	3,020,650
Mr. O. A. Adetomiwa	190,770	200,770
Chief S. O. Bolarinde	474,090	474,090
Mr. L. E. Ettah	131,250	131,250
Mr. V. G. Hammond	2,878	2,878
Alhaji M. H. Koguna	377,337	377,337
Mr. U. U. Udoma} direct	838,052	838,052
}indirect	9,325,180	9,325,180

In Contracts

Some of the directors have given notices for the purposes of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, to the effect that they are members of some specified companies which could be regarded as interested in any contracts with which the group was involved during the year under review.

CHARITABLE GIFTS AND OTHER DONATIONS	N
Scholarships (Secondary Schools/Higher Education)	13,850,000
Pan African University Project	15,000,000
Other donations (N40,000 & below)	293,480
	<hr/>
	29,143,480

THE COMPANY



The business unit recorded remarkable growth in both turnover and profitability in the snacks category.



Directors' Report cont'd



Alternative channel development was intensified with special focus on schools and neighbourhood shops to ensure spread and product availability.

The food businesses of the company were restructured in September, 2006. This gave rise to the ice cream category being a division on its own and the central kitchen units of the former Mr. Biggs division becoming a part of the new UAC Foods.

The business unit finally exited the bread and drinks categories.



UAC Dairies evolved as a stand alone business unit from UAC Foods on 1st September, 2006.

The business achieved a growth of 15% in volume over 2005.

UAC Dairies created excitement in the ice cream market through the launch of its Supreme Novelties (impulse range), making it the only current local player in the impulse ice cream market.

The tubs for the scoop range were upgraded to a more contemporary look. To boost its competitive stand, the business unit will pursue further extensions into other segments of the dairy market.



UAC FRANCHISING

UAC Franchising was established on the 1st of September, 2006 as part of the company's corporate restructuring exercise. The unit operates the franchising arm of the Quick Service Restaurant businesses. It is responsible for the marketing, IP development, sub-franchising, project engineering, site location and installation, brand and strategy development/management of the seven restaurant brands.

The brands are Mr Biggs, Nando's, Village Kitchen, the Innskor brands - Luv Dat Chicken, Creamy Inn, Must Be the Pizza and Dial-a-delivery.



The business unit had a good year, with an impressive performance that resulted in a significant increase in its operating profit over the preceding year.

During the year, MDS commissioned its fleet of brand new Montracon built 100m³ mega trailers, thus further ensconcing its foothold in the haulage industry.

In addition, MDS consolidated its pharmaceutical distribution framework. Telecoms distribution business also grew with the signing on of three key clients.

The business unit also undertook capacity expansion in some key locations, e.g. Onitsha, Aba and Oregun.

Growth potential remains high given the opportunities in the logistics landscape in Nigeria.





Directors' Report cont'd



Mr. Bigg's, the largest Quick Service Restaurant (QSR) business in Nigeria, added 11 restaurants during the year thus increasing to 171 by the end of 2006.

To encourage local entrepreneurs, the business unit franchised some of its restaurants in the year while maintaining its high standard in quality, ambience and customer service.

"Village Kitchen", the African meals brand, was introduced during the year to meet the demands of its valued customers for Native Meals of high quality in a friendly and cosy environment.

In the third quarter of the year, the company restructured its food business. This resulted in the emergence of UAC Restaurants, whose responsibility it is to operate all company's corporate QSR shops - Mr. Bigg's, Village Kitchen, Luv Dat Chicken, Creamy Inn, Pizza Inn, and Nando's brands under one business management.

SUBSIDIARIES

UAC REGISTRARS LIMITED

UAC Registrars Limited, a wholly-owned subsidiary of UAC of Nigeria Plc, is duly registered by the Securities and Exchange Commission to perform as Capital Market Registrars. As a securities registration outfit with a proven track record, the company is now poised to explore the opportunities that abound in the share registration market and has formulated its strategies towards making a mark in its chosen market.

It is fully automated with state-of-the-art share registration/data management software and computer equipment, (X-TRAC), which is adjudged the best in the industry.

The clientele cuts across the manufacturing and service industries.



GM NIGERIA LIMITED

The business recorded growth in turnover and operational profit; as it continued intensification of its distribution network and customer service.

During the year, the company redefined its operations as a result of government's introduction of Common ECOWAS Duty Tariffs (CET), which reduced the duty on CKD to 10% from 30%, which made the importation of CKD unattractive. As a result, the company started importation of completely built vehicles.

The restructured business unit operations have led to the relocation of the head office from Apapa to the Oregun Industrial Area.

CAP plc

CAP PLC continued to play a leadership role in the paints and chemicals sector with significant growth in turnover, operational profit and cash flow.

CAP PLC introduced the 2006 Colour of the Year with fanfare and proceeded to launch additional Dulux Colour Centres in Lekki, Abuja and Ikeja.

The company was rewarded with the Nigerian Stock Exchange and Pearl awards for sectoral leadership.

Senior Management Team



- | | | | | | |
|---|------------------|----|------------------|----|-----------------|
| 1 | Muftau Fasasi | 8 | Chris Adedipe | 15 | Emman Osugo |
| 2 | Hakeem Ogunniran | 9 | Joe Dada | 16 | Bayo Omojola |
| 3 | Joan Ihekwaba | 10 | Rotimi Famakinwa | 17 | Gabriel Adeseun |
| 4 | Larry Ettah | 11 | Muktar Yakasai | 18 | Marc Schreuder |
| 5 | Bodunrin Daniel | 12 | Steven Mayaki | 19 | Godwin Samuel |
| 6 | Layi Adetomiwa | 13 | Austin Okoruwa | | |
| 7 | Abdul Bello | 14 | Tunde Onadele | | |



Directors' Report cont'd



SPRING WATERS NIGERIA LIMITED

The business grew in turnover in spite of very tough competitive environment in the bottled water market.

The company concluded its restructuring exercise which resulted in substantial reduction of its debt profile and finance charges.

Consequent upon the strategies put in place last year aimed at assuring sustained future growth of the company, SWAN Soft Drinks product range was introduced into the market in December 2006. The SWAN Soft drinks range, which is specially blended to "surprise your thirst", comes in three exciting flavours of Orange, Pineapple and Apple. This new addition to the stable of the company has potential in its market segment as it has been well accepted by consumers.



GRAND CEREALS & OIL MILLS LIMITED

Performance of the business unit dipped due to the outbreak of Avian Influenza in February 2006. The volume of Feed business which accounts for about 60% of the company's entire business plummeted. This resulted in high stock holding and interest charges. The sales of Feeds, however, witnessed a promising recovery in November and December. It is hoped that this will be sustained.

Similarly, the Cereal segment of the business also suffered because of maize glut, a consequence of Avian Influenza. Self and toll millers capitalized on the low price of maize to increase their milling activities. This resulted in reduced demand for cereals - based morsel foods.

For the Oil business, the tactical alliance with a vegetable oil company for refining and packing Grand Pure Soya Oil helped to increase volume during the festivities season in December.



WARM SPRING WATERS NIGERIA LIMITED

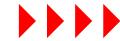
The business made significant improvements and growth in turnover during the year in the very competitive bottled water market. It also recorded improvements in the efficiency of its operations. There was still no sufficient volume to break even.

There was better penetration and visibility of the Gossy brand in the market place as Gossy became available in several cities across the country. The brand is beginning to gain the much desired critical mass with reasonable growth in volumes.

The strategic thrust is to build on its relative success by repositioning the brand and deploying superior marketing communication to create demand and more awareness. With planned improvements in its distribution strategy, the company is positioned for a better performance in the coming year.

DISTRIBUTORS/CUSTOMERS

Some of our goods and services are handled by distributors. These distributors are appointed solely on the level of business they can make and the degree of support services they can provide to customers. Distributors and clients are spread across the length and breadth of the country. Among them are:



UAC FOODS

Rodansy Enterprises
O Okhuakhu
Kalesadex
P A Afunugo
Ikuyajesin
Wolad
Madonna Foods
Ugwu Kingsley
Nkechi Ekwufolu
P O Enterprises
Chinye Nwigwe
Bene Aharagwo
Emmnauel Store
Gillytex Investment
Joseph Umeanyi
Febolt Nig. Ltd

UAC Dairies

EAST

Vivest Ent. Ltd Rumuodomaya Mkt.
Sodel Nig Ent 6, Mkt.Rd Rumuomasi
Kaysic Ventures No 6, Old Aba Rd. Ojiaji
Melly Chicken 156, Uniport Rd.
Ellarmay Ent. 30 Peace Drive Off Abuloma Rd.
J. Unique Satisfact. 40. Obiwali Rd. Rumuigbo
Bobi Foods 50e, Omerelu St. GRA Phase I1
Peemco Nig. Ltd 16, Chife Chinwo Off Ogbunabau
Emmanco & Associate No 4 Nsuka Street Mile I Diobu
Marthef Woji Co-op Soc. Rd. 18A Flat 2b Woji F H.E.
C&C Investment GRA (Mop 19) Boni Camp
E.C Maduakor & Sons 28, School Road
Rufbuk Ice Cream17, Ideato Street Off Mgbemena Str.

Lagos	Mike O. No 82 Amaran Street,	Owerri
Lagos	Bishop Sweet Sensation 84 Oraifite Street	Awada
Lagos	Coslizzy Refreshment Plot J112 H/E	Onitsha
Lagos	Ifeobu & Sons Nig Ltd No 4 Linea Rd.	Onitsha
Lagos	Maus-Med Ventures No 4 Ifhosi Road	Ejigbo
Lagos	Vego Foods 53, Old Refinery Rd, 5 Elewenwo	PHC
Owerri	P.N Amadi Nig. Ent. 39, Stadium Complex	Calabar
Enugu	Radopin Supermkt Ltd 155, Zik Avenue Awka	Anambra
Onitsha	PHC LAGOS/WEST	
Onitsha	CK Aileru 61 Odo Street	Obalende
Onitsha	Macdons Kadoso	Ajegunle
Asaba	Big Treat Ikosi Road	Oregun
Abuja	Alh Odebiyi - 23 Odebiyi Str,	Ifako
Abuja	B Systems 9 Yoruba Rd GRA	Ilorin
Abuja	J O Oderinde 16, Ade Road Oketoku Rd	Abeokuta
	Sun Paul & Sidney 39 Alh Amao	Ojota
	Festus Amede - 4 Ifosi Road	Ejigbo
	Debonairs Onigbogbo Mkt,	Maryland
	Repiko 16, Ake Rd	Abeokuta
PHC	NORTH	
PHC	Boman Inv. Ltd 155 Jos Breweries Portekobin	
Choba	Off Old Airport Road	Jos
PHC	Affordable Delite Bunmat Learning Field Aledemi, GRA	Yola
PHC	Randle Group Flat 4 Block 3, Area 7, Garki,	Abuja
PHC	Godsway Nig Ltd	Abuja
PHC	Royal Pacific Nig Ltd	Abuja
Owerri	Jonia Ventures	Bauchi
Owerri	Mrs. Ayuba Yanko	Birnin Kebbi
	Easy Main Stores	Damaturu
	Gazargamu	Damaturu



SPRING WATERS NIGERIA LIMITED

Godsway Nig Ltd
Royal Pacific Nig Ltd
Jonia Ventures
Mrs. Ayuba Yanko
Easy Main Stores
Gazargamu



Directors' Report cont'd

Gimba Muazu
Alh. Lawali Musa Kaura
Paddy Associates
Mrs. Bola Faniyi
Premier Hotel
HAKAMS Investment Ltd
Anthony Ebebe
Onigbinde and Sons
Maydonald Ltd
Bisal Nig. Ltd
Chanchangi Airlines
Aliyyah and Amir
Alh. Dalha Garba
Alh. Abdullahi Ali Swan
Royal Tropicana Hotel
Tahir Guest Palace
M. Y. Sayaya
Mobil Producing
Lagos Airport Hotel
Lagos Sheraton
Elcon Enterprises
Chris Amobi Ajah
Blessed Bona Group
Tahbuji Nig. Ltd
M. S. Onwuka & Sons
Hajia Onyeminat Ent.
Alh. Mamman Kalambaina
Gingiya Hotel
Al-Gee Nig. Ltd
Thessy Nwogbu
James Zira
J.A. Onabowale & Sons Ltd

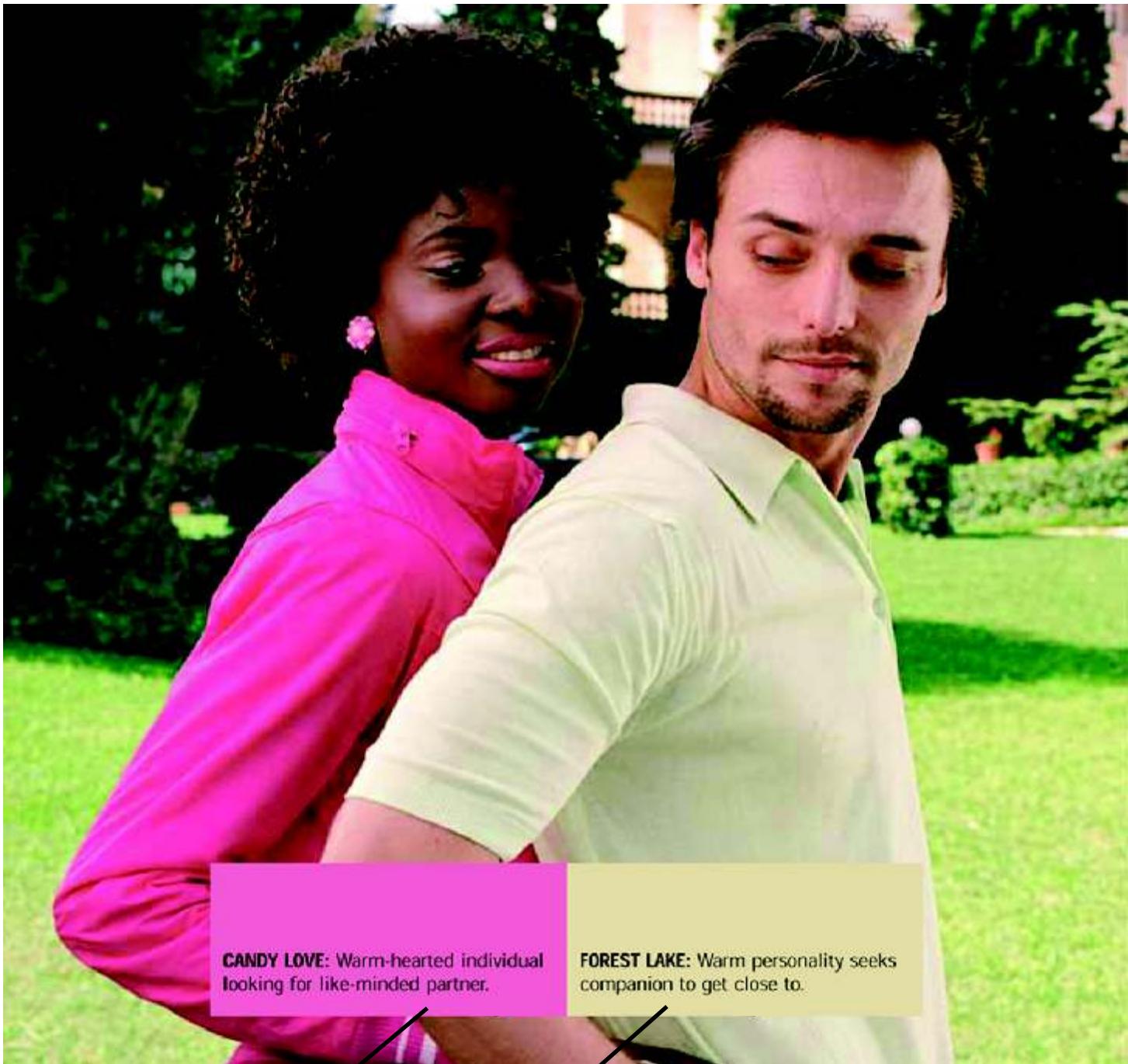
Gombe
Gusau
Gwagwalada
Ibadan
Ibadan
Jos
Jos
Jos
Jos
Kaduna
Kaduna
Kaduna
Kano
Kano
Kano
Kano
Katsina
Lagos
Lagos
Lagos
Lafia
Lafia
Lokoja
Maiduguri
Makurdi
Okene
Sokoto
Sokoto
Suleja
Suleja
Yola
Zaria

Industrial Customers
Guinness Nigeria Plc
Nigerian Breweries Plc
Bendel Brewery Limited
PAL Brewery Limited
Intecil Nigeria Limited
Nycil Nigeria Limited
Yunusa Salisu
Felicia Nwosu
P U Nwosu
Mega Distributors
TCL Foods Limited
Mariama Fatima
LTS Limited
Unik D Limited
Bernirose (Nig) Ent.
Topodata Surveys Inc.
Ezeora C Enterprises
Tee & Bee Stores Ltd
Phed Agrovet Nigeria Ltd
Funmork Enterprises
Jehns Enterprises
El-Ibrahim Enterprises
Odafe & Yowwe Food & Agric Co.
Tophiro Nigeria Limited
Kebbi Vet Pharma & Agric Eqp.
Agro Mercantile Concept
Royal Pacific Nig. Ltd
Jacine Limited
Nikseg Foods Ltd

Ikeja
Iganmu
Benin
Anambra
Enugu
Otta
Jos
Jos
Jos
Jos
Abuja
Kaduna
Aba
Enugu
Owerri
Onitsha
Lagos
Kano
Ibadan
Lafia
Maiduguri
Warri
Owerri
Kebbi
PHC
Abuja
Uyo
Benin

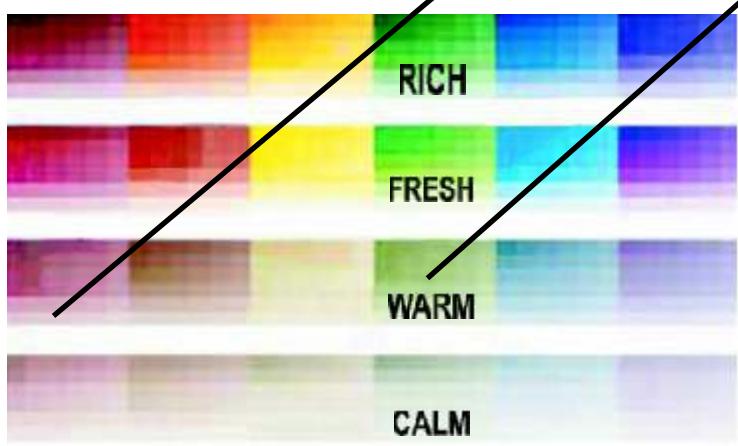


GRAND CEREALS & OIL MILLS LTD.



CANDY LOVE: Warm-hearted individual looking for like-minded partner.

FOREST LAKE: Warm personality seeks companion to get close to.



At Dulux we know that Candy Love and Forest Lake go together because they come from the same mood group in our new Colour Co-ordination System. This system groups colours into four separate moods: rich, fresh, warm and calm, so when you pick colours from the same mood you can be confident that they'll go together. Come and find the new system in-store at the Dulux paint mixing area and do some match making of your own.



Dulux

We know the colours that go

2006 Annual Report & Accounts 29





Directors' Report cont'd

Animex Nigeria Limited
Nna Adama
Ok'Akpo International Group
Kandung Marketing

Key Distributors
Umejison Stores
D D & Sons
Umar Shinkafi
E Y N
Alfas Agro Farm
Azubuike Okonkwo
Frankama Enterprises
Cema Agency
Aliyah & Amir Ventures
Keziem Stores
Mofesan Ventures



GM NIGERIA LIMITED

Gils Lakin & Co Limited
Road Truckers Nigeria Limited
Intermotors
Elim Motors
Aquaphill Motors
Bap Services Limited
Madunka Motors Limited
Al-safa Motors

	Calabar	CAP plc CHEMICAL & ALLIED PRODUCTS PLC	
	Minna	Na'allah Inv. Ltd	Lagos
	Gombe	First Ebony Inv. & Allied Services	Lagos
	Kafanchan	Edeoga Nig. Ltd	Abuja
		Kosby Konsult	Lagos
	Aba	All Size Nig Ltd	PH
	Benin	Design Studio Ltd	Abuja
	Sokoto	Kapital Int'l Consult & Invest	Benin City
	Mubi	Olaosebikan Stores Nig Ltd	Lagos
	Makurdi	Viseg And Associates	Lagos
	Orlu	Florigee Nig. Ltd	Aba
	Gboko		
	Lagos		
	Zaria		
	Aba		
	Lagos		
	LAGOS		
		Odenu Ventures, PLOT 5 Madam Cellular Close, Ajiran, Lekki	
		Jebila Commercial Ent. Millennium Estate Amuwo Odofin	
		Lagos	
		S M Trading, Ilupeju Estate, Ilupeju	
		Bidet Ent 3 Alfred Olaiya Street, Opebi, Ikeja	
	Lagos		
	Lagos		
	Lagos	EAST	
	Lagos	Phillip Ajah Stores, 4 Favour Line Bakassi, Aba	
	Calabar	Omni Trade, 26 Okpara Avenue, Enugu	
	PH	Mr Ogbunamiri, 6 Aba Road, Umuahia	
	Kaduna	Ianda Mario Nigeria Ltd, Shop 23 Vickflo Plaza, Dennis Osadebe	
	Abuja	Way, Asaba	



WARM SPRING WATERS NIGERIA LTD



Grand
PURE SOYA OIL





Directors' Report cont'd

NORTH

Edeoga Nigeria Ltd Sharon Properties, Plot 159 Wuse II, Abuja

WEST

TARON Ventures, 34 Okeyinmi Street, Ojumose Ado-Ekiti
Bisi Ade & Sons, Adamasingba Shopping Complex, Ibadan
Rational Endeavour Investments, Oba Adesida Road, Opposite National Bank, Akure
Topwall Agencies, 13 Laliblu Street, Oke Ilewo, Abeokuta
Tunfun Ent Ltd .

MDS Depot, Ilorin

EMPLOYMENT POLICY AND EMPLOYEE WELFARE, HEALTH AND SAFETY

It is the policy of the group that there is no discrimination in the employment, training and career development of all categories of people including disabled persons.

The health and welfare of the work-force are prime in all our activities. Employees enjoy free medical services at the Group Clinics located in Lagos Island, Apapa, Oregun, Ojota, Kano, Kaduna, Jos, Benin, Warri, Aba, Port Harcourt and Onitsha, which are supervised by full-time Medical Doctors and qualified Nurses. Besides, special arrangements are made with recognised hospitals as retainers to provide medical attention to employees in locations where we have no clinics.

It is also our policy to ensure that our work environment is safe and clean. Towards this end, the group enforces strict adherence to safety rules and practices through its Safety Committees in various locations.

Safety and Fire Drills are regularly organised to keep employees alert at all times.

Heavily subsidised canteen services are provided while recreational facilities and staff clubs are available in various parts of the country.

EMPLOYEE INVOLVEMENT AND TRAINING

Regular routine meetings are put in place to ensure exchange of ideas between staff and management through Joint Consultative Committees, Briefing Sessions and Company Council Meetings. Team briefing approach is adopted in some areas and Communication Audit has been embarked upon to stimulate and monitor the level of employee awareness on matters of concern to them.

Our policy recognises human resources as the most important asset of the organisation. It is, therefore, imperative to retain and motivate skilled work force through systematic training and development. Consequently, training forms part of



individual development towards achieving excellence in performance of day-to-day activities. We have a Training/Seminar Centre at Apapa.

Various in-house courses are also supplemented by external courses for employees within and outside Nigeria.

We encourage self-development schemes which enable employees to improve themselves academically and professionally in their chosen careers.

By Order of the Board

Godwin A. Samuel, Esq.
Company Secretary/Legal Adviser

11th day of April, 2007.

GOSSY
SPRING WATER





BRANCH LOCATIONS	FOODS	CAP PLC	MR. BIGG'S	MDS	GMNL	SWAN	GCOML	WSWNL
Aba	●			●		●	●	●
Abeokuta			●	●		●		
Abuja			●	●	●	●		●
Ado-Ekiti			●	●				●
Akure			●	●				
Asaba			●	●	●			
Awka			●					
Benin	●		●	●				
Bida				●				
Calabar			●	●				
Eket			●					
Enugu			●	●				●
Gombe			●	●		●		
Gusau				●				
Ibadan	●	●	●	●		●	●	●
Ijebu-Ode			●	●				
Ikogosi								●
Ikorodu			●					
Ilorin			●	●				
Jalingo				●				
Jos			●	●		●	●	
Kaduna	●		●	●				
Kano			●	●			●	
Katsina				●				
Lagos	●	●	●	●	●	●	●	●
Lokoja			●	●				
Maiduguri			●	●				
Makurdi			●	●		●	●	
Minna			●	●				
Nnewi			●					
Ondo			●	●	●			
Onitsha	●		●	●		●	●	●
Oshogbo			●	●				
Ota			●					
Owerri			●					
Oyo				●				
Port-Harcourt	●		●	●	●	●		●
Sapele				●				
Sokoto				●				
Ughelli			●					
Umuahia			●	●				
Uyo			●	●				
Warri			●	●				
Yenagoa			●					
Yola				●				
Zaria			●	●				



B Mr Biggs LOCATIONS – 2006

ABIA STATE
1, FACTORY ROAD, ABA
180, FAULKS ROAD, ABA
ABA ROAD, UMUAHIA
KM 6, ENUGU/ABA EXPRESSWAY, OSISIOMA NGWA, ABA
169, AZIKWE ROAD, ABA

ABUJA
45, LAGOS CRESCENT, GARKI, ABUJA
PLOT 368, KASHIM IBRAHIM/AMINU KANO CRESCENT,
WUSE II, ABUJA
ZONE 4, ABUJA
JABI ABUJA
BESIDES NYANYA SHOPPING COMPLEX, NYANYA,
ABUJA
GWAGWALADA, ABUJA
SULEJA, ABUJA
K77, SULTAN DASUKI WAY KUBWA, ABUJA
3RD AVENUE, GWAWRINPA ESTATE, ABUJA FCT

AKWA IBOM STATE
PLOT 1, BROOKS STREET, GOVT. LAYOUT, UYO
NO 82, IKOT EKPENE ROAD, UYO
27, ABA ROAD, IKOT EKPENE
ETEIBI STREET, EKET

ANAMBRA STATE
75, UPPER NEW MARKET ROAD, ONITSHA
LIMCAR RD, ONITSHA
FEGGE, ONITSHA
IGWE ORIZU ROAD, NNEWI

BAUCHI STATE
YANDOKA ROAD, OPPOSITE SSS OFFICE

BAYELSA STATE
OPOLO EPIE, YENAGOA

BENUE STATE
1, OTURKPO ROAD, MAKURDI

BORNO STATE
3, KRIKASAMA ROAD, MAIDUGURI
NGAB FILLING STATION, BAMA RD, MAIDUGURI

CROSS RIVER STATE
50, KIZITO ATTAH WAY, CALABAR
MURTALA MOHAMMED HIGHWAY, CALABAR
EKPO ABASI ROAD, CALABAR

DELTA STATE
37, AIRPORT ROAD, WARRI
UGHELLI/PATANIRD, BESIDE COCA-COLA DEPOT, UGHELLI
NO 329, NNEBISI ROAD, OPPOSITE STATE STADIUM,
ASABA
NO 19, UDU ROAD, BESIDE ESCO SUPERMARKET,
EFFURUN

EBONYI STATE
4, GUNNING / WATER WORKS ROAD, ABAKALIKI

EDO STATE
57, SAPELE ROAD, BENIN
PLOT 201, BENIN/LAGOS ROAD UGBOWO, BENIN CITY
IKPOBA HILL, BENIN CITY
57, AKPAKPAVA ROAD, BENIN CITY
ELEMA QUARTER, BENIN CITY.
107, EKENWAN ROAD, BENIN CITY.
AGBOR-ASABA EXPRESSWAY, AGBOR

EKITI STATE
OPPOSITE FAJUIYI PARK, ADO EKITI

ENUGU
26, OKPARA AVENUE, ENUGU



97, AGBANI ROAD, AGBANI, ENUGU
ENUGU ROAD, NSUKKA
NIKE ROAD, ABAKPA NIKE, ENUGU
4, ONITSHA ROAD, 9th MILE, ENUGU
64, CHIME AVENUE, ENUGU

GHANA
AKASANOMA ROAD, NEAR KWAME NKRUMAH CIRCLE,
ACCRA
PLOT 1, 25 STREET CONTROL
DANSOMAN HOUSING ESTATE, ACCRA
PLOT 22, BLOCK T, ADIEBEBE, KUMASI
SHELL STATION, SPINTEX RD

GOMBE
MDS COMPOUND, OLD BIU ROAD, GOMBE

IMO
97, OKIGWE ROAD, OWERRI
8, NWATURUCHA IKENEGBU LAYOUT, OWERRI,
ORLU ROAD, IMO STATE

KADUNA
2, YAKUBU GOWON WAY, KADUNA
9A, KACHIA RD., KADUNA
ISA KAITA, KADUNA
F3, KADUNA ROAD, SABON GARI, ZARIA

KANO
31, NIGER STREET KANO (GIDAN NIGER), KANO
40, ZOO ROAD, KANO
53, NEW ROAD, SABO-GARI, KANO

KOGI
145, MURTALA MOHAMMED WAY, LOKOJA
751, LAFIA ROAD, OKENE.

KWARA
96, IBRAHIM TAIWO ROAD, ILORIN

17-21 MURTALA MOHAMMED ROAD, ILORIN
MURTALA MOHAMMED WAY, ILORIN
29, BISHOP CLOSE GRA, ILORIN
OFFA, KWARA

LAGOS
51, MARINA, LAGOS
26, BROAD STREET, LAGOS
16, CREEK ROAD, APAPA, LAGOS
52, ALLEN AVENUE, IKEJA
1, ACJON PLAZA, 1ST AVENUE, FESTAC TOWN
77, BODE THOMAS STREET, SURULERE, LAGOS
45, AWOLOWO ROAD, IKOYI, LAGOS
145, BROAD STREET, LAGOS
DAMILOLA PLAZA, 22 ROAD, FESTAC TOWN
8, OSOLO WAY, AJAO ESTATE, LAGOS
21, COKER ROAD, ILUPEJU
166, OGUNLANA DRIVE, SURULERE
MOBIL FILLING STATION, LAGOS/ABEOKUTA EXPRESSWAY,
ABULE EGBA
MOBIL FILLING STATION, ALAKIJA BUS STOP
MOBIL FILLING STATION, AGIDINGBI
MOBIL FILLING STATION, LEKKI ROUND ABOUT, LEKKI
143, EGBEDA ROAD, AKOWONJO
35, LAGOS STREET, IKORODU
149, 3RD AVENUE, A CLOSE FHA, GOWON ESTATE, IPAJA
MOBIL FILLING STATION, P/AVENUE, MUSHIN
MOBIL FILLING STATION, BADAGRY EXP ROAD, BY FESTAC
MAIN GATE
MOBIL FILLING STATION, IJAIYE OGBA, OGBA
2, ADEDEJI/OGUDU ROAD, OGUDU
MOBIL FILLING STATION, ITIRE ROAD, S/LERE
MOBIL FILLING STATION, GBAGADA
MOBIL FILLING STATION, KIRIKIRI ROAD
MOBIL FILLING STATION, AGUDA, SURULERE
IDIROKO ROAD, SANGO-OTA, OGUN STATE
80, IKOSI ROAD, KETU, LAGOS
45/47, DIYA ST, IFAKO, GBAGADA





EJIGBO
89, APAPA ROAD, EBUTE-METTA,
2, BAJULAYE ROAD MORROCO, SHOMOLU
30, ADESINA ROAD, IJESHA TEDO, LAGOS
LOCAL GOVT. PREMISES, IKOTUN
LEKKI, AJAH
30, SHIPEOLU RD. SHOMOLU, LAGOS
25B, TOYIN STREET, IKEJA
CHARITY ROAD, NEW OKO OBA, AGEGE
LOCAL AIRPORT, IKEJA
18, OLOWU STREET, OFF OBAFEMI AWOLOWO WAY,
IKEJA
48, IKORODU ROAD, JIBOWU, LAGOS
BESAM ROAD, MAFOLUKU
133, IJU ROAD, AGEGE, LAGOS
ALAGBOLE, AKUTE
ALI STREET, OKOKOMAIKO
123, OGBA ROAD, AGEGE
MOBIL FILING STATION, OREGUN RD, ALAUSA
AP FILLING STATION, OBA AKRAN, IKEJA
84, OZUMBA MBADIWE ROAD, V/ISLAND
MOBIL FILING STATION, NO 52-53, IYANA IPAJA ROAD,
ALAGUNTAN
128, SAGAMU RD. IKORODU
7, AGO PALACE WAY, OKOTA
126 OJUELEGBA ROAD, TEJUOSHO
36, DAVIES STREET, OFF DEMURIN ST, KETU
PLOT 103, ISHERI/OMOLE ROAD OMOLE PHASE1
89, ST FINBARS ROAD, AKOKA, BARIGA
8, BOLADEALE STREET, OSHODI, LAGOS
3, TINUBU STREET, LAGOS
MOBIL FILING STATION, MARYLAND, "ON THE RUN"
ALONG HERBERT MACAULAY ROAD, YABA.
ALONG LAGOS-IBADAN EXPRESSWAY, LAGOS "ON THE
RUN"
BESIDE NYSC CAMP, IYANA IPAJA "ON THE RUN"
PALMS SHOPPING MALL,
MOBIL FILLING STATION, MOLONEY,

LAGOS ISLAND "ON THE RUN"
MOBIL FILLING STATION, WAREHOUSE ROAD,
APAPA "ON THE RUN"
16, AKIN ADESOLA STREET.
NIGER
TUNGA BOSSO ROAD, MINNA NIGER STATE
OGUN
IJEBU ODE, OGUN STATE
AWOLOWO WAY, IBARA, ABEOKUTA
SAGAMU, OGUN STATE
ONDÖ
ECWA CHURCH PREMISES, OBA ADESIDA ROAD. AKURE
NO 3, YABA STREET, ONDO TOWN,
ONDO-OKITIPUPA JUNC, BENIN-SAGAMU EXP WAY, ORE
OYEMEKUN ROAD, AKURE
OSUN
2, AWOLOWO ROAD, IGBONNA, OSOGBO
OPPOSITE FIRST BANK, LAGERE, ILE-IFE.
OYO
38, OBA ADEBIMPE ROAD DUGBE, IBADAN
1, OLUYOLE WAY, BODIJA, IBADAN
MOBIL FILING STATION, OLUYOLE ESTATE, IBADAN
IDI APE JUNCTION, BASHORUN IBADAN
21, LAGOS ROAD, ELEWURA BUS STOP, CHALLENGE
IBADAN
TARAA ROAD, OGBOMOSHOO
IWO RD ROUNDABOUT, BY LAMIDI AJADI AND SONS LTD,
IBADAN.
OKE-ADO, IBADAN
ILESHA
PLATEAU
40/42, AHMADU BELLO WAY, JOS
37B, YAKUBU GOWON WAY, JOS



RIVERS
 7, AZIKIWE ROAD, PORT HARCOURT
 PLOT 47, TRANS AMADI INDUSTRIAL LAYOUT,
 PORT HARCOURT
 212, ABA ROAD, PORT HARCOURT
 18/19, RUMUIBEKWE, OPP SHELL
 RESIDENTIAL ESTATE P/HARCOURT
 6, OLU OBASANJO ROAD, P/HARCOURT
 CHOBIA - PORT HARCOURT
 NO 50, AGGREY ROAD, AGGREY, PH
 472, IKWERE ROAD, RUMUOKWUTA
 ALONG EAST WEST ROAD, RUMUKURUSHI, PH
 ONNE ROAD, PORT HARCOURT
 F7, ABACHA ROAD, GRA III, PORT HARCOURT
 OKPORO ROAD, PORT HARCOURT
 STADIUM ROAD, PORT HARCOURT
 WOJI ESTATE, PORT HARCOURT
 189, AHOADA/OMOKU RD, OMOKU, P/H
 107, OLD ABA RD, RUMUBIAKANI.
 44, WIMPEY ROAD, PORT HARCOURT
 ABA/P/H EXPRESSWAY, OBIGBO, P/HARCOURT
 57, ABA ROAD, PORT HARCOURT,



LAGOS
 BESIDE NYSC CAMP, IYANA IPAJA "ON THE RUN"
 MOBIL FILLING STATION, MARYLAND, LAGOS "ON THE RUN"
 MURITALA MUHAMMED INTERNATIONAL AIRPORT ROAD
 "ON THE RUN"
 HERBERT MACAULAY ROAD, YABA.
 ALONG LAGOS- IBADAN EXPRESSWAY, LAGOS "ON THE
 RUN"
 77, BODE THOMAS STREET, SURULERE
 MOBIL FILLING STATION, MOLONEY, LAGOS ISLAND "ON
 THE RUN"

MOBIL FILLING STATION, WAREHOUSE ROAD, APAPA "ON
 THE RUN"
 PALMS SHOPPING MALL, LEKKI.
 16, AKIN ADESOLA STREET, VICTORIA ISLAND.



"LUV DAT CHICKEN"
 BESIDE NYSC CAMP, IYANA IPAJA "ON THE RUN"
 MOBIL FILLING STATION, MARYLAND, LAGOS "ON THE RUN"
 MURITALA MUHAMMED INTERNATIONAL AIRPORT ROAD
 "ON THE RUN"
 ALONG HERBERT MACAULAY ROAD, YABA.
 MOBIL FILLING STATION, MOLONEY, LAGOS ISLAND "ON
 THE RUN"
 MOBIL FILLING STATION, WAREHOUSE ROAD, APAPA "ON
 THE RUN"
 16, AKIN ADESOLA STREET



"MUST BE THE PIZZA"
 MURITALA MUHAMMED INTERNATIONAL AIRPORT ROAD
 "ON THE RUN"
 ALONG LAGOS IBADAN EXPRESSWAY, LAGOS "ON THE
 RUN"
 PALMS SHOPPING MALL



ALONG LAGOS IBADAN EXPRESSWAY, LAGOS "ON THE
 RUN"
 THE PALMS SHOPPING MALL, LEKKI, V/ISLAND
 AJOSE ADEOGUN STREET, VICTORIA ISLAND.
 ADENIRAN OGUNSANYA JUNCTION, SURULERE




SWAN



CLIENTS

AIRTEL CARDS LTD
CADBURY
CANDEL
CHURCHGATE
CIPLA EVANS
EMZOR
FAR EAST MERCANTILE LTD
FLOUR MILLS NIG PLC
GLAXO WELLCOME
GRAND CEREALS AND OIL MILLS
GUINNESS NIG PLC
IDL
JAGAL PHARMA
JUST FOODS LTD
MTN
MICHELIN
(UAC RESTAURANTS) - MR BIGGS
NAMITECH
NESTLE FOODS
NGC
NIG. DIST. LTD
PFIZER
PROMASIDOR
SOCIETY FOR FAMILY HEALTH
TETA PHARMACEUTICAL
UAC FOODS
TME
VITAFOAM
WANDEL INT'L
WSWNL
AXIOS FOUNDATION

LOCATIONS

WEST
1, Magazine Rd, Dugbe, IBADAN
Mc'Iver, No. 6, Cole Street, LAGOS
16, Creek Road, Apapa, LAGOS
UAC Complex, Ibara R/About, ABEOKUTA
147, Ajilosun St, Ado/Ikere Rd, ADO EKITI
16, Obaile, Owo Rd, opp. Oceanic Bank, AKURE
27, Oba Market Rd, BENIN
201, Folagbade Street, IJEBU ODE
111, Murtala Mohammed Way, ILORIN

2, Odedibo St., Idi Isin, ONDO
3, Station Rd, off Gen. Post Office, OSHOGBO
Ishola Motors Building, Ogbomosho Rd, OYO
6, Palm Avenue, SAPELE
CFAO Premises, opp. Urhobo Coll. Warri-Effurun Rd, WARRI

EAST

8, Factory Rd, ABA
13, Factory Road, ABA
70/72 Marina Rd, CALABAR
26, Okpara Avenue, ENUGU
1, Okpara Avenue, ENUGU
Plot 5, Niger Bridge, Industrial Layout, ONITSHA
3, Orgi Mbieri Exp Rd, off K5 Okigwe Rd, OWERRI
4, Forces Av. Old GRA, PORT HARCOURT
2, Mayne Av, Opp. FBN Plc, UMUAHIA
UAC Hse, Green Field, 11 Ikot Ekpene Rd, UYO

NORTH NORTH

Plot 8, Biu Rd, Adjacent Zenith Bank, GOMBE
36, Trading Layout, Canteen Rd, Opp. Old Cabinet Office, GUSAU
3, Makera Rd, opp Kakuri Police Station, KADUNA
1-4, Ahmadu Bello Way, KADUNA
33, Niger Street, KANO
12, Nagogo Rd, KATSINA
10, Nguru Rd, MAIDUGURI
8, Abdullahi Fodio, SOKOTO
4, Manchester Rd., YOLA

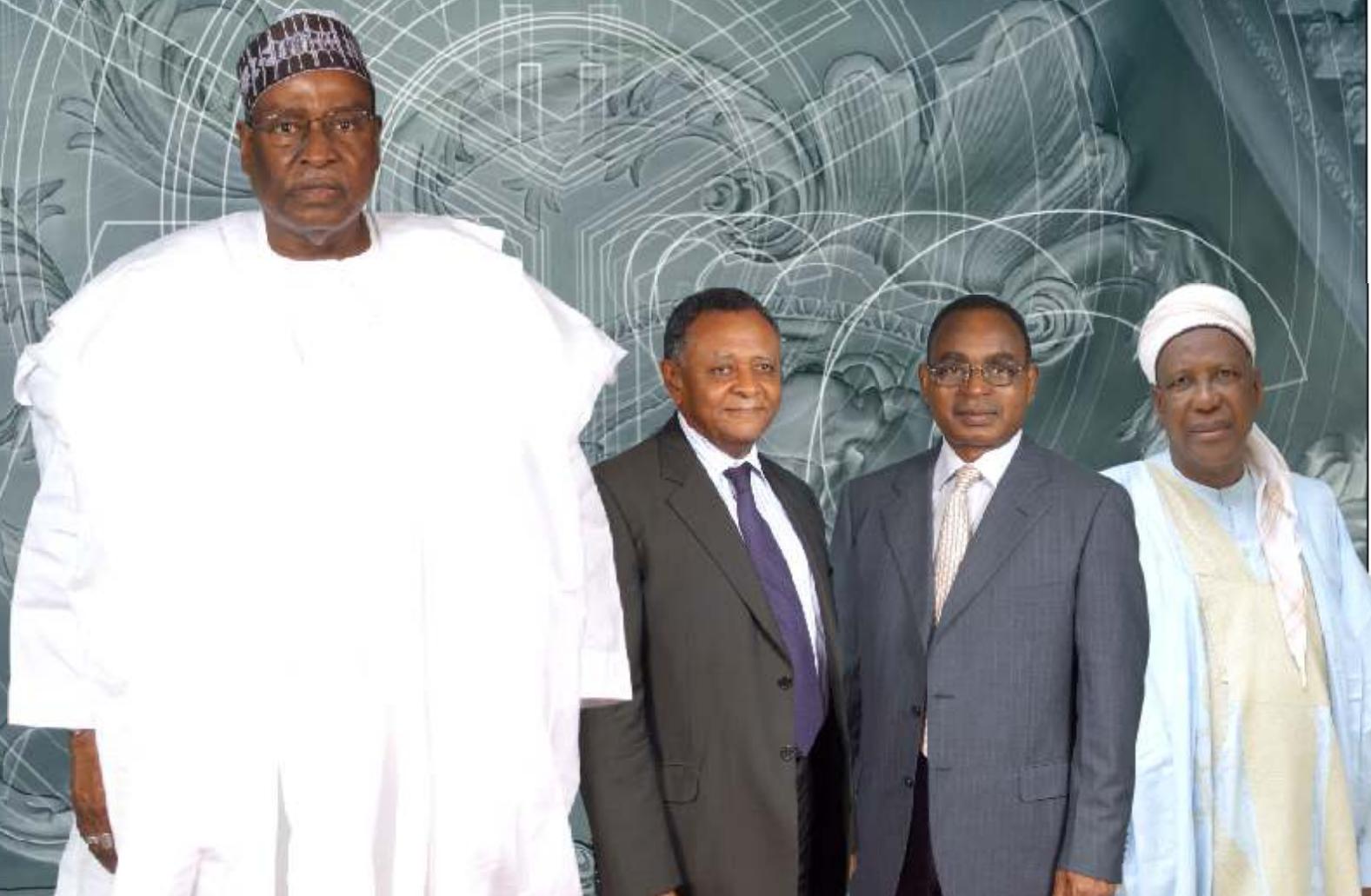
NORTH CENTRAL

Idu Industrial Estate, ABUJA
10 -12 Maiduguri Bye-Pass, BAUCHI
Along Zungeru Rd. Opp C/Cola Depot, BIDA
5B, Hospital Road JALINGO
10, UAC Main Bldg , UBA Road, Waterside, LOKOJA
6, Beach Rd, JOS
28, Murtala Mohammed Rd, JOS
1, Beach Rd, MAKURDI
Shiroro Road, MINNA
Along Kaduna/Lokoja Exp. Way, Dumex Junction, SULEJA
42, Kashim Ibrahim Way, Bakin Kogi Area, YOLA

CORPORATE HEADQUARTERS
Plot 32 Kudirat Abiola Way, OREGUN



Board of Directors



Lt. - Gen. M. I. Wushishi (rtd), CFR, GCON, FSS, PSC
Chairman

Mr. V. G. Hammond Chief S. O. Bolarinde Alh. (Dr) M. H. Koguna



Dr. N. D. Moyo

Sen. U. U. Udoma

Mr. O. A. Adetomiwa

Mr. Simon G. Harford

Mr. L. E. Ettah
GMD/CEO



ISUZU

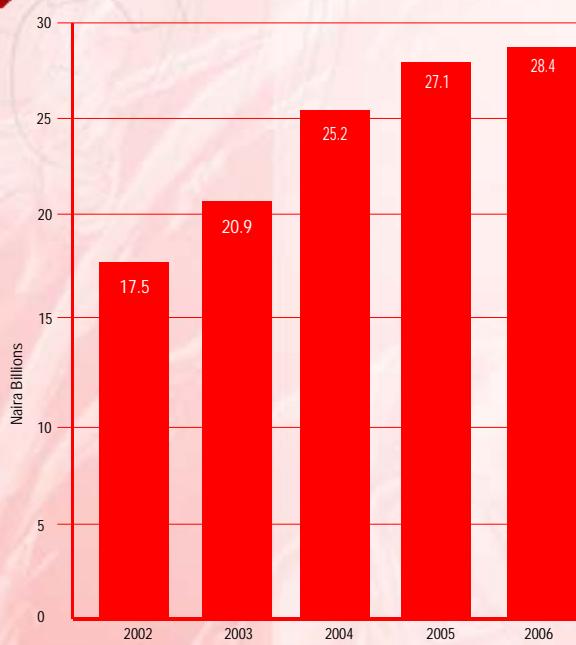
Financial REPORT



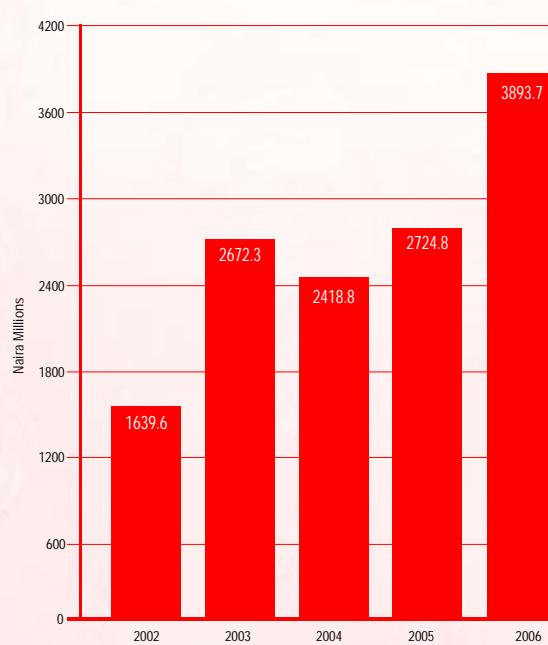


Salient Performance Graph

TURNOVER



PROFIT BEFORE TAX & MI



EARNINGS PER SHARE





Auditors' Report

PRICEWATERHOUSECOOPERS

Plot 252E Muri Okunola Street,
Off Ajose Adeogun Street,
Victoria Island, Lagos, Nigeria.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UAC OF NIGERIA PLC

Report on the financial statements

We have examined the accompanying financial statements of UAC of Nigeria Plc set out on pages 50 to 70.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall performance of the financial statements.

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the group and company's financial affairs at 31 December 2006 and of the profit and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards and the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.



Auditors' Report cont'd

PRICEWATERHOUSECOOPERS 

Plot 252E Muri Okunola Street,
Off Ajose Adeogun Street,
Victoria Island, Lagos, Nigeria.

Report on other legal requirements

The Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 requires that in carrying out our audit we consider and report to you on the following matters.

We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the group and company, so far as appears from our examination of those books;
- iii) the group and company's balance sheet and profit and loss account are in agreement with the books of account.

PricewaterhouseCoopers

Chartered Accountants
Lagos, Nigeria.

27 April, 2007.





Report of the Audit Committee

to the Members of UAC of Nigeria Plc

In compliance with Section 359 sub-section 6 of the Companies and Allied Matters Act 1990, we have reviewed the audited Financial Statements of the company for the year ended 31st December, 2006 and report as follow:

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

O. Fayombo
Chairman of the Meeting

Dated 10th April, 2006

MEMBERS OF THE COMMITTEE:

Mr. O. Fayombo	—	Chairman
Mr. O. A. Adetomiwa	—	Member
Prince G. A. Olagunju	—	Member
Mr. V. G. Hammond	—	Member
Chief S. O. Bolarinde	—	Member
Mr. N. K. Nnabike	—	Member

SECRETARY
GODWIN A. SAMUEL



Statement of Significant Accounting Policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

(b) Intangible assets

Intangibles arising out of acquisition of brand franchise are amortised over the period of the franchise agreement.

(c) Depreciation of fixed assets

Depreciation is calculated to write off the cost or the revalued amounts of fixed assets over their expected useful lives on a straight line basis at the following annual rates. Investment properties are accounted for in accordance with the provisions of Nigerian Statement of Accounting Standards No. 13.

Leasehold land and buildings with fixed tenure of less than 33 years are depreciated over the lives of the relevant leases.

Leasehold land and buildings with a fixed tenure of 33 years or more	3%
Heavy industrial plant	}
Furniture and office equipment	}
	10%
Light industrial plant	}
Heavy vehicles	}
Light vehicles	}
Computer equipment	33 $\frac{1}{3}$ %

(d) Stocks and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

Cost is ascertained as follows:

Finished goods – direct cost of materials and labour together with a proportion of works overheads.

Raw materials – invoiced cost plus all other costs of bringing items to the company's warehouses.

(e) Deferred taxation

Deferred taxation is provided for, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Current income tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, provision for pensions and other post retirement benefits and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(f) Turnover

Turnover comprises the net value of goods and services invoiced and delivered to third parties after deduction of discounts and value added tax.

(g) Debtors

Debtors are stated after deduction of adequate provisions for any debts considered bad or doubtful.



Statement of Significant Accounting Policies cont'd

- (h) Foreign currencies
Transactions in foreign currencies are translated into naira at the rates ruling on the dates of the transactions. Assets and liabilities in foreign currencies are converted into Naira at the rates of exchange ruling on the balance sheet date. All exchange gains and losses arising are included in the operating results.
- (i) Accounting for retirement gratuities and pensions
Liabilities in respect of retirement gratuities and pensions are provided for by making unfunded provisions and by making payments to pension funds. The amounts of the payments/charges are determined on an actuarial basis so that over the long term the funds will be adequate to meet the liabilities. The unfunded provisions represent the estimated present value of the future liability for retirement gratuities/pensions to employees other than benefits provided through pensions funds.
- (j) Research and development expenditure
Expenditure incurred on research is charged against revenue in the year in which it is incurred. Development costs are amortised in five equal annual instalments beginning from the year of completion of the related project.
- (k) Investments
Long term investments portfolio is stated at cost and provision is made for permanent diminution in value. Dividends are accounted for when received.
- (l) Consolidation of subsidiaries
The group balance sheet and profit and loss of the holding company and of its operating subsidiary companies are made up to the balance sheet date.

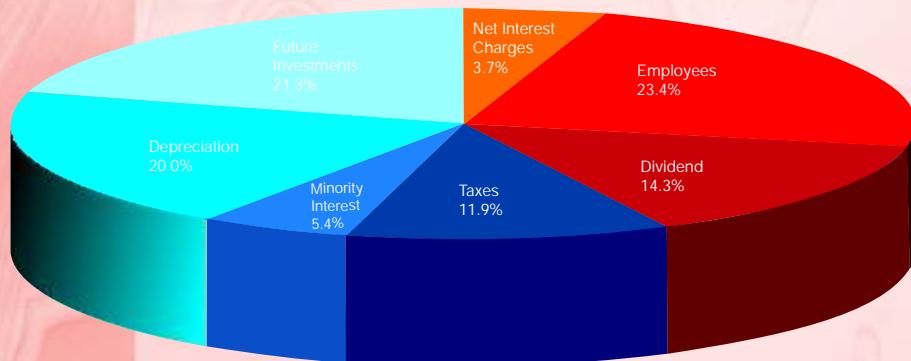
A subsidiary is a company in which the group has more than half of its equity share capital.
- (m) Associated company
An associated company is defined as a company, not being a subsidiary, in which the group has between 20% and 50% interest. The company's share of the results of the associated company is included in the company's and the group's profit and loss accounts. The company's and the group's share of post-acquisition results are added to the cost of the investment in the balance sheets. These amounts are taken from the latest audited financial statements of the company concerned, whose year end is co-terminous with that of the group.
- (n) Borrowing costs
Borrowing costs associated with loan facilities utilised in executing qualifying capital work in progress are capitalised in accordance with the provisions of International Accounting Standard No. 23. They include interest charges, establishment fees and other incidental fees directly related to the creation and arrangement of the facilities.
- (o) Accounting for franchise fee revenue
Franchise fee revenue from an individual franchise sale is recognised, with an appropriate provision for estimated uncollectable amount, when all material services or conditions relating to the sale have been substantially performed or satisfied by the franchisor in accordance with the provisions of Financial Accounting Standard No. 45.
- (p) Dividend
Dividends are only recognised as liability when they have been declared at the Annual General Meeting.
- (q) Finance Leases
Leased assets are stated at their fair values and are capitalised on installation and depreciated in line with the company policy on depreciation of the related class of fixed assets. The finance costs of the leases are charged to the profit and loss account in accordance with lease terms.



Group Value Added Statement

For the year ended 31st December, 2006

	Group				Company			
	2006 ₦'million	%	2005 ₦'million	%	2006 ₦'million	%	2005 ₦'million	%
Turnover	28,403.2		27,118.7		17,507.6		16,982.7	
Share of associated companies' profits	639.0		560.2		639.0		560.2	
Cost of materials and services:								
Imported	(1,179.6)		(933.4)		-		-	
Local	(18,858.2)		(20,047.4)		(14,014.4)		(12,316.1)	
Value Added	9,004.4	100.0	6,698.1	100.0	4,132.2	100.0	5,226.8	100.0
Used as follows:								
1. To pay employees	2,112.8	23.4	2,167.8	32.3	1,437.9	34.7	1,608.3	30.7
2. To pay taxes	1,074.4	11.9	915.6	13.7	(118.6)	(2.9)	533.4	10.2
3. To pay net interest charges	329.0	3.7	318.9	4.8	71.4	1.7	212.3	4.1
4. Depreciation of fixed assets	1,802.6	20.0	1,486.5	22.1	1,376.2	33.3	1,097.3	21.0
5. Transfer to minority interest	481.9	5.4	179.4	2.7	-	-	-	-
6. To pay dividend	1,284.6	14.3	1,284.6	19.2	1,284.6	31.2	1,284.6	24.6
7. Retained profit for future investment	1,919.0	21.3	345.3	5.2	80.7	2.0	490.9	9.4
	9,004.4	100.0	6,698.1	100.0	4,132.2	100.0	5,226.8	100.0
Note: Cost of materials and services		%		%		%		%
Imported	1,179.6	5.9	933.4	4.4	-	-	-	-
Local	18,858.2	94.1	20,047.4	95.6	14,014.4	100.0	12,316.1	100.0
	20,037.8	100.0	20,980.8	100.0	14,014.4	100.0	12,316.1	100.0





Group Profit and Loss Account

For the year ended 31st December, 2006

	Notes	2006 ₦'000	Group 2005 ₦'000	2006 ₦'000	Company 2005 ₦'000
Turnover	1	28,403,237	27,118,696	17,507,587	16,982,650
Cost of sales	2	(21,271,768)	(20,090,052)	(13,352,507)	(12,753,371)
Gross profit		7,131,469	7,028,644	4,155,080	4,229,279
Other income	3	198,713	160,504	410,490	214,970
Selling & distribution expenses		(699,085)	(450,507)	(144,805)	(109,119)
Administration expenses		(3,882,791)	(4,061,525)	(2,259,442)	(2,509,112)
Operating profit from operations		2,748,306	2,677,116	2,161,323	1,826,018
Share of profit of associated companies	4	639,003	560,160	639,003	560,160
Interest income		221,067	374,615	113,029	303,295
Finance charges		(550,032)	(693,510)	(184,429)	(212,345)
Net operating profit		3,058,344	2,918,381	2,728,926	2,477,128
Profit from disposal of certain assets	5	1,169,289	6,461	65,580	31,796
Exceptional items:					
Provision for assets impairment of closed bread plants	6	(133,965)	-	(133,965)	-
Provision for unfunded retirement benefits	6	(200,000)	(200,000)	(200,000)	(200,000)
Profit before taxation & minority interest	8	3,893,668	2,724,842	2,460,541	2,308,924
Taxation	9(i)	(1,074,352)	(915,581)	118,606	(533,410)
Profit after taxation but before minority interest and extraordinary items		2,819,316	1,809,261	2,579,147	1,775,514
Interest and extraordinary items					
Extraordinary items (net of taxes)					
Profit on disposal of shares of associated company	7	866,165	-	866,165	-
Provision for diminution on investments in water subsidiaries	7	-	-	(2,080,000)	-
Minority interest	25	(481,892)	(179,352)	-	-
Profit after taxation and minority interest and extraordinary items		3,203,589	1,629,909	1,365,312	1,775,514
Retained by the company		1,365,312	1,775,514	1,365,312	1,775,514
Retained by subsidiaries		1,838,277	(145,605)	-	-
Profit for the year retained	24	3,203,589	1,629,909	1,365,312	1,775,514
Earnings per share (kobo)	11(ii)	249	127	106	138
Proposed dividend	11(i)	1,284,624	1,284,624	1,284,624	1,284,624
Dividend per share (kobo)	11(ii)	100	100	100	100

The statement of accounting policies on pages 50 and 51 and the notes on pages 56 to 70 form an integral part of these financial statements.



Group Balance Sheet

For the year ended 31st December, 2006

		Group		Company
	Notes	2006 ₦'000	2005 ₦'000	2006 ₦'000
Intangible assets	12	234,080	267,545	234,080
Fixed assets	13	10,514,664	10,964,432	7,209,062
Long term investments	14	4,578,687	4,468,279	5,681,368
		<u>15,327,431</u>	<u>15,700,256</u>	<u>13,124,510</u>
Current assets:				<u>13,685,744</u>
Stocks & work - in - progress	15	3,470,980	5,199,370	834,690
Debtors & pre-payments	16	3,869,698	3,413,788	3,689,087
Cash and bank balances	17	5,015,688	2,098,123	2,061,349
		<u>12,356,366</u>	<u>10,711,281</u>	<u>6,585,126</u>
Current liabilities:				<u>6,247,505</u>
Bank loans/overdrafts	17	1,133,539	3,089,258	205,255
Taxation	9(ii)	1,048,276	863,504	449,995
Creditors falling due within one year	20	253,333	66,667	253,333
Trade and other creditors	18	5,358,647	4,650,861	3,271,846
		<u>7,793,795</u>	<u>8,670,290</u>	<u>4,180,429</u>
Net current assets		<u>4,562,571</u>	<u>2,040,991</u>	<u>2,149,646</u>
Total assets less current liabilities		<u>19,890,002</u>	<u>17,741,247</u>	<u>15,529,207</u>
Deferred tax provision	19	(675,281)	(428,995)	(14,121)
Creditors falling due after one year	20	(611,984)	(1,277,082)	(519,646)
Provision for liabilities and charges	21	(1,200,031)	(948,355)	(932,882)
Total net assets		<u>17,402,706</u>	<u>15,086,815</u>	<u>14,062,558</u>
Share capital	22	642,312	642,312	642,312
Share premium	23	4,237,997	4,237,997	4,237,997
Capital reserve	23	1,984,452	1,984,452	1,984,452
Other reserve	23	126,797	126,797	126,797
Proposed dividend	24	1,284,624	1,284,624	1,284,624
Retained profit	24	7,823,036	5,904,071	5,786,376
Shareholders' funds		<u>16,099,218</u>	<u>14,180,253</u>	<u>14,062,558</u>
Minority interest	25	1,303,488	906,562	-
Employment of funds		<u>17,402,706</u>	<u>15,086,815</u>	<u>14,062,558</u>
Lt - Gen MI Wushishi (rtd), CFR, GCON, FSS, PSC				Directors
Mr. O A Adetomiwa				

The statement of significant accounting policies on pages 50 and 51 the notes on pages 56 to 70 form an integral part of these financial statements.



Group Cash Flow Statement

For the year ended 31st December, 2006

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Cash flow from operating activities				
Operating profit before taxation	3,893,668	2,724,842	2,460,541	2,308,924
Amortisation of intangible assets	33,465	33,444	33,465	33,444
Extraordinary items	866,165	-	(1,213,835)	-
Deferred tax credit on extraordinary items	-	-	480,000	-
Share of post tax profit of Associates	(490,220)	(459,485)	(490,220)	(459,485)
Dividend income	(562)	(215,031)	(285,893)	(215,031)
Depreciation of fixed assets	1,802,616	1,486,506	1,376,205	1,097,332
Net adjustment to fixed assets	214,218	-	349,665	-
Provision for diminution in value of investments	-	-	800,000	-
Provision for assets impairment on closed bread plant	133,965	-	133,965	-
Provision no longer required	-	(182,031)	-	(182,031)
Profit on disposal of certain assets	(1,169,289)	(6,461)	(65,580)	(31,796)
Profit on disposal of investment	(866,165)	-	(866,165)	-
Interest on loans and overdrafts	550,032	693,510	184,429	212,345
Interest received	(221,067)	(374,615)	(113,029)	(303,295)
Cash flow before changes in working capital	4,746,826	3,700,679	2,783,548	2,460,407
Changes in working capital				
Decrease/(increase) in stocks	1,728,390	(1,519,221)	(143,034)	297,800
(Increase)/decrease in debtors and prepayments	(455,910)	(750,220)	363,899	(611,607)
Increase in creditors and accruals	478,290	106,094	173,339	414,452
Increase/(decrease) in provision for liabilities & charges	251,676	160,655	207,360	(168,516)
Cash flow after changes in working capital	6,749,272	1,697,987	3,385,112	2,392,536
Tax paid	(622,265)	(928,195)	(449,130)	(731,335)
Net Cash flow from operating activities	<u>6,127,007</u>	<u>769,792</u>	<u>2,935,982</u>	<u>1,661,201</u>
Investing activities				
Purchase of fixed assets	(2,604,594)	(3,178,556)	(2,158,679)	(2,768,289)
Proceeds from disposal of certain assets	2,072,852	74,192	644,900	45,462
Proceeds from disposal of investment in an associate	1,100,000	-	1,100,000	-
Dividends received	562	215,031	285,893	215,031
Interest received	221,067	374,615	113,029	303,295
Net investments in associated and other companies	39,981	82,083	(445,103)	(406,598)
Cash flow from investing activities	<u>829,868</u>	<u>(2,432,635)</u>	<u>(459,960)</u>	<u>(2,611,099)</u>
Cash flow from financing activities				
Loans (repaid)/granted	(478,432)	536,700	(170,182)	421,611
Proceeds from rights issues	-	1,651,522	-	1,651,522
Dividends paid	(1,055,127)	(1,112,512)	(1,086,088)	(953,674)
Interest on loans and overdrafts	(550,032)	(693,510)	(184,429)	(212,345)
Net Cash from financing activities	<u>(2,083,591)</u>	<u>382,200</u>	<u>(1,440,699)</u>	<u>907,114</u>
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year	(991,135)	289,508	820,771	863,555
Cash and Cash equivalents at the end of the year (note 17)	<u>3,882,149</u>	<u>(991,135)</u>	<u>1,856,094</u>	<u>820,771</u>



Notes to the Financial Statements

1. Turnover

	2006 ₦'000	2005 ₦'000
UAC of Nigeria Plc		
Third Party Turnover	17,055,135	16,682,758
Franchised Income	452,452	299,892
	<hr/>	<hr/>
Mr. Bigg's Limited (Ghana)	17,507,587	16,982,650
GM Nigeria Limited	165,032	106,266
Spring Waters Nigeria Limited	1,671,694	1,387,904
Grand Cereals & Oil Mills Limited	821,249	703,393
Chemical & Allied Products Plc	5,762,262	6,104,202
Warm Spring Waters Nigeria Limited	1,986,247	1,525,426
	489,166	308,855
	<hr/>	<hr/>
	28,403,237	27,118,696
Franchised Turnover (Memo)	<hr/>	<hr/>
	3,671,690	1,833,769
<hr/>	<hr/>	<hr/>
2. Cost of sales		
UAC of Nigeria Plc	13,352,507	12,753,371
Mr. Bigg's Limited (Ghana)	139,105	89,123
GM Nigeria Limited	1,380,236	1,086,141
Spring Waters Nigeria Limited	515,661	427,717
Grand Cereals & Oil Mills Limited	4,363,100	4,565,392
Chemical & Allied Products Plc	1,215,901	914,403
Warm Spring Waters Nigeria Limited	305,258	253,905
	<hr/>	<hr/>
	21,271,768	20,090,052
<hr/>	<hr/>	<hr/>
3. Other income		
	Group 2006 ₦'000	Company 2005 ₦'000
Rental income	52,098	75,787
Dividends received	562	-
Other trading income	146,053	84,717
	<hr/>	<hr/>
Total	198,713	160,504
	<hr/>	<hr/>
	410,490	214,970
	<hr/>	<hr/>



Notes to the Financial Statements cont'd

4. Share of profit of associated companies

	Group 2006 N'000	2005 N'000	Company 2006 N'000	2005 N'000
UACN Property Development Company Plc	629,693	469,475	629,693	469,475
Tractor & Equipment Nigeria Limited	-	75,838	-	75,838
Opticom Leasing Company Limited	9,310	14,847	9,310	14,847
Total	<u>639,003</u>	<u>560,160</u>	<u>639,003</u>	<u>560,160</u>
5 Disposal of certain assets				
Profit/(loss) on disposal of certain assets (i)	1,166,301	(18,343)	62,592	6,992
Profit on disposal of property	2,988	24,804	2,988	24,804
	<u>1,169,289</u>	<u>6,461</u>	<u>65,580</u>	<u>31,796</u>

(i) One of the subsidiaries, GM Nigeria Limited, disposed of the 17, Creek Road, Apapa factory premises following their relocation to 31, Mobolaji Johnson Road, off Alausa Road, Oregun.

6 Exceptional items

	Group 2006 N'000	2005 N'000	Company 2006 N'000	2005 N'000
Provision for assets impairment of closed bread plant	133,965	-	133,965	-
Provision for URB in the year {note 21(i)}	200,000	200,000	200,000	200,000
	<u>333,965</u>	<u>200,000</u>	<u>333,965</u>	<u>200,000</u>

Unfunded Retirement Benefits provision represents part of the cumulative shortfall on actuarial valuation on the retirement benefit of N1.453billion. The balance of N203m will be provided for next year 2007 in accordance with the Statement of Accounting Standards number 8 on Employees Retirement Benefits.

7 Extra-ordinary items

	Group 2006 N'000	Company 2006 N'000
Profit on disposal of investment in Tractor & Equipment Nigeria Ltd (an associated company)	-	-
Proceeds	1,100,000	1,100,000
Less: - Carrying value of investment	(233,835)	(233,835)
Net profit on disposal	<u>866,165</u>	<u>866,165</u>
Provision for diminution in value of investments and loans in the water subsidiaries	-	(1,600,000)
Deferred on provision for diminution	-	(480,000)
	<u>-</u>	<u>(2,080,000)</u>
Total Extraordinary Items (net of taxes)	<u>866,165</u>	<u>(1,213,835)</u>



Notes to the Financial Statements cont'd

		Group	
		2006 N'000	2005 N'000
8	Profit before taxation		
	After charging:		
	The group profit before taxation is arrived at after charging:		
	Auditors' remuneration:	Group auditors	22,500
		Others	<u>6,000</u>
			<u>21,500</u>
			<u>4,500</u>
	Directors' emoluments	<u>31,118</u>	<u>26,049</u>
	Interests:		
	(a) Bank loans (including commercial papers and bankers' acceptances)	187,077	192,792
	(b) Bank overdrafts	<u>362,955</u>	<u>500,718</u>
		<u>550,032</u>	<u>693,510</u>
	Depreciation of fixed assets	<u>1,802,617</u>	<u>1,486,506</u>
	Provision for diminution of investment and loans in the water businesses	1,600,000	–
	Provision for assets impairment on closed bread plant	133,965	–
	Provision for unfunded retirement benefits	<u>200,000</u>	<u>200,000</u>
	and after crediting:		
	Profit from disposal of certain assets	1,169,289	6,461
	Profit from disposal of investments	866,165	–
	Exchange loss	(6,913)	(4,257)
	Interest on deposits	221,067	374,615
	Rental income from properties	52,098	75,787
9(i)	Taxation		
		Group	Company
		2006 N'000	2005 N'000
	Per profit & loss account		
	Charges for the year:		
	Income tax	710,600	631,485
	Education tax	87,918	93,493
	Capital gains tax	118,150	2,947
	Deferred Tax	8,902	86,981
		<u>(717,383)</u>	<u>(16,395)</u>
	On share of profit of associated companies:		
	Income tax	104,900	89,182
	Education tax	7,212	11,493
	Prior year adjustments	36,670	–
	Deferred tax	–	–
	Total	<u>1,074,352</u>	<u>915,581</u>
		<u>(118,606)</u>	<u>533,410</u>



Notes to the Financial Statements cont'd

		Group		Company	
		2006 N'000	2005 N'000	2006 N'000	2005 N'000
(ii)	Per balance sheet				
	Opening balance :				
	Income tax	720,666	687,548	388,480	373,993
	Education tax	104,986	70,099	57,774	51,984
	Capital gains tax	2,947	15,033	2,876	14,407
	Charges for the year :				
	Income tax	815,500	720,666	385,824	388,480
	Education tax	95,130	104,986	63,891	57,774
	Capital gains tax	118,150	2,947	280	2,876
	(Over)/under provisions in previous years:				
	Income tax	(186,838)	(116,686)	-	14,795
	Education tax	-	(3,796)	-	(426)
	Capital gains tax	-	(14,954)	-	(14,369)
	Payments:				
	Income tax	(514,332)	(570,862)	(388,480)	(388,788)
	Education tax	(104,986)	(66,303)	(57,774)	(51,558)
	Capital gains tax	(2,947)	(79)	(2,876)	(38)
	Closing balance:				
	Income tax	834,996	720,666	385,824	388,480
	Education tax	95,130	104,986	63,891	57,774
	Capital gains tax	118,150	2,947	280	2,876
		<hr/>	<hr/>	<hr/>	<hr/>
		1,048,276	828,599	449,995	449,130
	Withholding tax due for payments	<hr/>	<hr/>	<hr/>	<hr/>
		-	34,905	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		1,048,276	863,504	449,995	449,130

- (iii) The amounts provided as income tax on the profits for the year have been computed on the basis of Companies Income Tax Act 1979 and in accordance with the Finance (Miscellaneous Taxation) Act No. 32 of 1996 (as amended).
- (iv) Education tax represents 2% of assessable profit in accordance with Act No. 7 of 1993.
- (v) Capital gains tax has been provided at the rate of 10% in accordance with the Finance (Miscellaneous Taxation) Act No. 32 of 1996. However, whenever proceeds will be reinvested in similar assets, no provision is made for Capital Gains Tax in line with Section 32 of Capital Gains Tax Act 1967.



Notes to the Financial Statements cont'd

9. Particulars of directors and staff

(i) The group has in its employment during the year the weekly average number of staff in each category below.

The aggregate amount stated against each category was incurred as wages and pension costs during the year.

		2006	2005	
	Number	Cost ₦'000	Number	
			Cost ₦'000	
Management Staff	643 5,929	1,336,961 775,875	589 5,963	1,272,233 895,520
Total	<hr/> <hr/> 6,572	<hr/> <hr/> 2,112,836	<hr/> <hr/> 6,552	<hr/> <hr/> 2,167,753

(ii) The table below shows the number of employees (excluding directors), who earned over N100,000 as emoluments in the year and were within the bands stated.

₦	₦	2006	2005
		Number	Number
100,001	-	200,000	4,078
200,001	-	300,000	918
300,001	-	400,000	669
400,001	-	500,000	306
500,001	-	600,000	138
600,001	-	700,000	105
700,001	-	800,000	53
800,001	-	900,000	26
900,001	-	1,000,000	49
1,000,001	-	1,100,000	35
1,100,001	-	1,200,000	21
1,200,001	-	1,300,000	29
1,300,001	-	1,400,000	15
1,400,001	-	1,500,000	11
1,500,001	and	Above	119
		<hr/> <hr/> 6,572	<hr/> <hr/> 6,552

The bands are stated in order of N100,000

(ii) Emoluments of directors

Fees	750	694
Other emoluments	30,368	25,355
	<hr/> <hr/> 31,118	<hr/> <hr/> 26,049

(iv) Emoluments of the Managing Director/Chief Executive who was also the highest paid director

14,118 11,680



Notes to the Financial Statements cont'd

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

			2006 Number	2005 Number
100,001	-	150,000	7	7
4,000,001	-	4,200,000	-	1
4,800,001	-	5,000,000	-	1
5,600,001	-	5,800,000	2	-
11,600,001	-	11,800,000	-	1
14,000,000	-	14,200,000	1	-
			<hr/> 10	<hr/> 10
			<hr/> <hr/>	<hr/> <hr/>

11(i) Dividend

A dividend in respect of 2006 of N1 per share, amounting to ₦1,284,624,258 is to be proposed at the Annual General meeting on May 23, 2007. These financial statements do not reflect this dividend as payable. However, when it is declared and becomes payable it is subject to withholding tax, which is not to be retained by the company but is to be paid over to the Federal and various State Tax Authorities.

(ii) Earnings and dividend per share

Earnings and dividend per ordinary share of 50k are calculated on the group profit after taxation and minority interest on the basis of ordinary shares of 1,284,624,258 units in issue as at 31st December 2006.

12 Intangible assets

		Group		Company	
		2006 N'000	2005 N'000	2006 N'000	2005 N'000
Cost:					
Balance at 1 January		300,989	300,989	300,989	300,989
Balance at 31 December		<hr/> 300,989	<hr/> 300,989	<hr/> 300,989	<hr/> 300,989
Amortisation:					
Balance at 1 January		33,444	-	33,444	-
Amortised during the year		33,465	33,444	33,465	33,444
Balance at 31 December		<hr/> 66,909	<hr/> 33,444	<hr/> 66,909	<hr/> 33,444
Net balance at 31 December		<hr/> <hr/> 234,080	<hr/> <hr/> 267,545	<hr/> <hr/> 234,080	<hr/> <hr/> 267,545

Note: - The company was granted the Innscor brand franchise in November, 2003 and opened the first stores during 2005 to cover a period of ten years (2004 - 2013). However, the amortisation will be for nine years as the stores were not opened until 2005 in order to terminate in year 2014.



Notes to the Financial Statements cont'd

13. Fixed assets

(i) Group

	Land and Buildings ₦'000	Plant & Machinery ₦'000	Motor Vehicles Furniture & Office Equipment ₦'000	Capital Work-in- Progress ₦'000	Capital Total ₦'000
Cost/Valuation					
Balance 1 January, 2006	4,679,200	8,110,599	3,037,584	1,018,511	16,845,894
Additions during the year	592,209	447,884	533,102	1,031,399	2,604,594
Disposals	(345,541)	(901,538)	(269,059)	-	(1,516,138)
Adjustments/write offs	42,172	(37,546)	33,734	(286,130)	(247,770)
Reclassifications	87,508	873,503	348,162	(1,309,173)	-
Balance 31 December, 2006	<u>5,055,548</u>	<u>8,492,902</u>	<u>3,683,523</u>	<u>454,607</u>	<u>17,686,580</u>
Depreciation					
Balance 1 January, 2006	1,014,353	3,226,378	1,640,731	-	5,881,462
Charged for the year	261,725	969,103	556,848	14,940	1,802,616
On disposals	(90,977)	(387,132)	(134,466)	-	(612,575)
On adjustments/write off	24	(1,775)	(7,857)	(23,944)	(33,552)
On reclassifications	(45)	(277)	(8,682)	9,004	-
Impairment on closed bread plants	-	133,965	-	-	133,965
Balance 31 December, 2006	<u>1,185,080</u>	<u>3,940,262</u>	<u>2,046,574</u>	<u>-</u>	<u>7,171,916</u>
Net book values at:					
31 December, 2006	<u>3,870,468</u>	<u>4,552,640</u>	<u>1,636,949</u>	<u>454,607</u>	<u>10,514,664</u>
31 December, 2005	<u>3,664,847</u>	<u>4,884,221</u>	<u>1,396,853</u>	<u>1,018,511</u>	<u>10,964,432</u>



Notes to the Financial Statements cont'd

(ii) Company

	Motor Vehicles				
	Land and Buildings ₦'000	Plant & Machinery ₦'000	Office Equipment ₦'000	Capital Work-in- Progress ₦'000	Total ₦'000
Cost/Valuation					
Balance 1 January, 2006	3,871,707	4,978,228	2,593,435	477,341	11,920,711
Additions during the year	474,841	209,085	457,867	1,016,886	2,158,679
Disposals	(255,400)	(395,991)	(213,243)	-	(864,634)
Adjustments/write off	8,459	(48,289)	(110,597)	(256,103)	(406,530)
Reclassifications	86,463	382,310	329,257	(798,030)	-
Balance 31 December, 2006	4,186,070	5,125,343	3,056,719	440,094	12,808,226
Depreciation					
Balance 1 January, 2006	883,958	2,177,689	1,369,527	-	4,431,174
Charged for the year	236,830	696,046	428,389	14,940	1,376,205
On disposals	(64,191)	(128,576)	(92,547)	-	(285,314)
On adjustments/write offs	-	(1,006)	(31,916)	(23,944)	(56,866)
On reclassifications	(45)	(277)	(8,682)	9,004	-
Impairment on closed bread plants	-	133,965	-	-	133,965
Balance 31 December, 2006	1,056,552	2,877,841	1,664,771	-	5,599,164
Net book values at:					
31 December, 2006	<u>3,129,518</u>	<u>2,247,502</u>	<u>1,391,948</u>	<u>440,094</u>	<u>7,209,062</u>
31 December, 2005	<u>2,987,749</u>	<u>2,800,539</u>	<u>1,223,908</u>	<u>447,341</u>	<u>7,489,537</u>

(iii) Properties

The land and buildings of the company and the properties, plant and machinery of a subsidiary were revalued as at 31 December, 1997 by Messrs Adegbemile, Akinlosotu Aganga & Co. Estate Surveyors and Valuers on the basis of open market values between a willing buyer and a willing seller.

The surplus arising from this revaluation was credited to the capital reserve account.

The company's other properties are stated at directors' valuation as at 30 September, 1974 with subsequent additions to the cost.

(iv) All other categories of fixed assets are stated at cost.



Notes to the Financial Statements cont'd

14. Long term investments

(i) These comprise investments in wholly-owned, subsidiary and associated companies. Consolidated profit and loss account and balance sheet have been prepared for the company and its operating subsidiaries; GM Nigeria Limited, Spring Waters Nigeria Limited, Chemical and Allied Products Plc, Grand Cereals & Oil Mills Limited and Warm Spring Waters Nigeria Limited, Mr. Bigg's Limited Ghana, UNICO CPFA Limited and UAC Registrars Limited.

The associated companies include UACN Property Development Company Plc and Opticom Leasing Company Limited.

(ii) Long term investments are stated at cost less impairment provision, and they comprise:

	Quoted shares:	Group		Company	
		2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
a)	Chemical and Allied Products Plc 105,195,810 ordinary shares of 50k each	–	–	114,461	114,461
	UACN Property Development Company Plc 506,000,000 Ordinary shares of 50k each	2,222,209	2,222,209	2,222,209	2,222,209
b)	Unquoted shares:				
	General Cotton Mill Limited 33,749,624 Ordinary shares of 50k each	18,012	18,012	18,012	18,012
	Tractor & Equipment Nigeria Limited 18,000,000 Ordinary shares of ₦1 each	–	207,606	–	207,606
	GM Nigeria Limited 72,000,000 Ordinary shares of ₦1 each	–	–	95,760	95,760
	Spring Waters Nigeria Limited 947,642,454 Ordinary shares of ₦1 each	–	–	1,013,120	613,836
	Warm Spring Waters Nigeria Limited 446,475,000 Ordinary shares of ₦1 each	–	–	446,475	360,000
	Provision for diminution in value of investments in SWAN and WSWNL (note 7)	–	–	(800,000)	–
	Grand Cereals and Oil Mills Limited 192,000,000 Ordinary shares of ₦1 each	–	–	268,200	268,200
	Opticom Leasing Company Limited 24,000,000 ordinary shares of ₦1 each	24,000	24,000	24,000	24,000
	Mr. Biggs Ltd – Ghana 11,666,667 ordinary shares of ₦1 each	–	–	11,666	11,666
	UAC Registrars Limited 50,000,000 ordinary shares of ₦1 each	50,000	–	50,000	50,000
	UNICO CPFA Ltd 130,000,000 ordinary shares of ₦1 each	130,000	–	130,000	–
	Chemical and Allied Products Plc - investment in UACN Plc	–	6,642	–	–
	Others	48,002	47,899	1,001	1,001
	Sub Total	<u>2,492,223</u>	<u>2,526,368</u>	<u>3,594,904</u>	<u>3,986,751</u>



Notes to the Financial Statements cont'd

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
c) Accumulated amount of share of profit of associated companies:				
Tractor & Equipment Nigeria Limited	–	422,437	–	422,437
UACN Property Development Company Plc	2,047,648	1,494,289	2,047,648	1,494,289
Opticom Leasing Company Limited	38,816	25,185	38,816	25,185
Total long term investments	<u>4,578,687</u>	<u>4,468,279</u>	<u>5,681,368</u>	<u>5,928,662</u>
(iii) Market value of quoted investments				
	2006		2005	
	Carrying Amount ₦'000	Market Value ₦'000	Carrying Amount ₦'000	Market Value ₦'000
Chemical and Allied Products Plc	114,461	2,103,916	114,461	757,410
UACN Property Development Company Plc	4,269,857	6,982,800	3,716,498	4,025,000
Total market value as at 31 December	<u>4,384,318</u>	<u>9,086,716</u>	<u>3,830,959</u>	<u>4,782,410</u>

The directors did not consider the value appreciation of ₦4,702,398 in the value of the Company's quoted investments between the market of N9,086,716 and its carrying value of N4,384,318 as at the year ended 31 December, 2006 to represent a permanent increase in the value of the investment.

(iv) Other relevant details are as follows:

Company	Number of shares held	Nominal unit value of shares held	Percentage holding	Major activities
<i>Subsidiaries:</i>				
(a) Grand Cereals and Oil Mills Limited	192,000,000	Ordinary Shares of N1 each	64.00	Processing of locally sourced grains and oil seeds into grits, Flour, oil and cake and Production of poultry feeds.
(b) GM Nigeria Limited	72,000,000	Ordinary Shares of N1 each	60.00	Sale and assembling of motor vehicles
(c) Spring Waters Nigeria Ltd	947,642,454	Ordinary Shares of N1 each	94.80	Production of bottled Spring Water
(d) Chemical and Allied Products Plc	105,195,810	Ordinary Shares of N1 each	50.09	Manufacturing of paints and chemicals
(e) Warm Spring Waters Nigeria Limited	446,475,000	Ordinary Shares of N1 each	76.01	Production of bottled Natural Spring Water
(f) Mr. Bigg's Limited - Ghana	11,666,667	Ordinary Shares of N1 each	100.00	Mr. Bigg's Quick Service Restuarants
(g) UNICO CPFA Limited	130,000,000	Ordinary Shares of N1 each	86.67	Pension funds management services
(h) UAC Registrars Limited	50,000,000	Ordinary Shares of N1 each	100.00	Companies Registrars



Notes to the Financial Statements cont'd

Associated companies:	Number of shares held	Nominal unit value of shares held	Percentage holding	Major activities
(a) UACN Property Development Company Plc	506,000,000	Ordinary Shares of 50k each	46.00	Property Management & Real Estate Development
(b) Opticom Leasing Company Limited	24,000,000	Ordinary Shares of N1 each	40.00	Equipment Leasing
(c) Others: General Cotton Mill Limited	33,749,624	Ordinary Shares of 50k each	17.80	Manufacturing of textile materials
15. Stocks			Group	Company
			2006 ₦'000	2005 ₦'000
Raw materials and work-in-progress	1,906,924	4,129,620	608,354	553,201
Technical stocks and spares	397,926	271,431	201,281	137,866
Merchandise and other stocks	1,166,130	798,319	25,055	589
	3,470,980	5,199,370	834,690	691,656
16. Debtors and prepayments				
Trade debtors	1,690,443	1,391,975	1,009,144	651,994
Deposit for import	2,020	13,575	2,020	13,575
Long term debts	1,937	4,618	-	284
Amount owed by related companies (note 7)	-	-	838,291	1,542,953
Sundry debtors	1,304,315	1,002,278	1,107,590	975,002
Prepayments and accrued income	870,983	1,001,342	732,042	869,178
	3,869,698	3,413,788	3,689,087	4,052,986
17. Cash and bank balances				
Cash in hand and at banks	5,015,688	2,098,123	2,061,349	1,502,863
Bank overdrafts	1,022,556	2,853,258	205,255	446,092
Bankers acceptances and commercial papers	110,983	236,000	-	236,000
	1,133,539	3,089,258	205,255	682,092
Net cash and bank balances	3,882,149	(991,135)	1,856,094	820,771



Notes to the Financial Statements cont'd

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
18. Creditors				
Trade creditors	1,692,935	1,921,267	1,121,440	1,351,788
Other credit balances	1,660,929	1,074,680	1,063,928	638,362
Accruals and deferred income	1,169,128	1,048,755	411,460	433,337
Dividends unclaimed	835,655	606,159	675,018	476,483
Total	<u>5,358,647</u>	<u>4,650,861</u>	<u>3,271,846</u>	<u>2,899,970</u>
19. Provisions for deferred taxation	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Balance at January	428,995	342,014	251,504	267,899
Provisions/(credit) during the year	246,286	86,981	(717,383)	(16,395)
Deferred tax charge on extraordinary items	<u>–</u>	<u>–</u>	<u>480,000</u>	<u>–</u>
Balance at December	<u>675,281</u>	<u>428,995</u>	<u>14,121</u>	<u>251,504</u>

The Company, using liability methods, has fully provided for deferred tax in these financial statements.

20. Creditors falling due within and after one year

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Creditors falling due within one year:				
Agricultural bank loans				
UBA Plc	<u>253,333</u>	<u>66,667</u>	<u>253,333</u>	<u>66,667</u>
Maturity Date				
Creditors falling due after one year:				
Agricultural bank loans				
UBA Plc	February, 2008	222,973	800,588	222,973
				566,666
Long term loan:				
Intercontinental Bank Plc	<u>–</u>	<u>166,667</u>	<u>–</u>	<u>–</u>
UBA Plc	<u>92,338</u>	<u>–</u>	<u>–</u>	<u>–</u>
Finance leases:				
UBA Plc, UNICO & OPTICOM	296,673	309,827	296,673	309,827
	<u>611,984</u>	<u>1,277,082</u>	<u>519,646</u>	<u>876,493</u>

The long term loan facility in one of the subsidiaries is secured by the title to the equipment financed by the loan. Interest rates chargeable on these loans were at the range of between 15 and 15.5 percent per annum.



Notes to the Financial Statements cont'd

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
21. Provisions for liabilities and charges				
Pension and gratuity obligations {note (i)}	<u>1,200,031</u>	<u>948,355</u>	<u>932,882</u>	<u>725,523</u>
(i) Pension and gratuity obligations				
(a) The pension scheme of the employees is managed by UNICO CPFA.				
(b) Pension and gratuity obligations represent provisions for liabilities in respect of retirement gratuities and pension as stated in the accounting policies (h).				
Movement in gratuity and unfunded retirement benefits provisions:				
Opening balance as at 1st January	948,355	826,627	725,523	725,523
Provision during the year	303,476	382,338	227,428	240,252
Exceptional provision (note 7)	200,000	200,000	200,000	200,000
Payment during the year	(251,800)	(460,610)	(220,069)	(440,252)
Closing balance as at 31 December	<u>1,200,031</u>	<u>948,355</u>	<u>932,882</u>	<u>725,523</u>
22. Share capital	2006 Number 000	2005 Value ₦'000	Number 000	Value ₦'000
Ordinary shares of 50k each				
Authorised:				
Balance at the beginning of the year	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Balance at the end of the year	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
Balance at the beginning of the year	<u>1,284,624</u>	<u>642,312</u>	<u>1,284,624</u>	<u>642,312</u>
Balance at the end of the year	<u>1,284,624</u>	<u>642,312</u>	<u>1,284,624</u>	<u>642,312</u>



Notes to the Financial Statements cont'd

23. Share premium, capital & other reserves

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Share premium	4,237,997	4,237,997	4,237,997	4,237,997
Capital reserve	1,984,452	1,984,452	1,984,452	1,984,452
Other reserve	126,797	126,797	126,797	126,797
Balance at the end of the year	<u>6,349,246</u>	<u>6,349,246</u>	<u>6,349,246</u>	<u>6,349,246</u>

24. Retained profit

	Group		Company	
	2006 ₦'000	2005 ₦'000	2006 ₦'000	2005 ₦'000
Balance at the beginning of the year	5,904,071	5,558,786	5,705,688	5,214,798
Proposed dividend (note 11)	(1,284,624)	(1,284,624)	(1,284,624)	(1,284,624)
Profit for the year before dividend	3,203,589	1,629,909	1,365,312	1,775,514
Balance as at the end of the year	<u>7,823,036</u>	<u>5,904,071</u>	<u>5,786,376</u>	<u>5,705,688</u>

25. Minority interest

This comprises amounts due to holders of minority shares in the four subsidiaries companies and are made up of:

	2006 ₦'000	2005 ₦'000
Share capital	401,694	307,308
Share premium	(2,667)	(2,667)
Retained loss of previous years	(176,366)	(176,366)
Retained profit for the year	481,892	179,352
Capital reserve	238,144	238,144
Deposit for shares in a subsidiary	360,791	360,791
Balance at the end of the year	<u>1,303,488</u>	<u>906,562</u>

26. Commitment for capital expenditure

At 31st December, 2006, the amount of capital expenditure authorised by the Board and still unspent amounted to Group ₦792,933,661; Company ₦728,279,741 (2005 Group N703,293,090, Company N697,867,496). Included in the unspent amount are commitments for capital expenditure amounting to Group ₦272,686,561; Company ₦239,012,365 (2005: Group N566,005,507; Company N564,918,152 which have already been entered into at the balance sheet date.

27. Contingent liabilities

There were litigation in the ordinary course of business with the Company. It is the Directors' opinion that no material liability against the Company will materialise.



Notes to the Financial Statements cont'd

28. Related parties transactions

As indicated in note 14 (long term investments), the Company has shareholding in some of its associated companies.

The following transactions were carried out with related parties.

		2006 ₦'000	2005 ₦'000
(i) Sales and purchases of goods and services			
(a) Sales of goods and services:			
UACN Property Development Company Plc		24,093	39,619
Warm Spring Water Nigeria Limited		7,859	3,821
Chemical & Allied Products Plc		5,866	1,073
Spring Waters Nigeria Limited		6,132	66,475
Grand Cereals & Oil Mills Limited		33,870	21,843
		<hr/> 77,820	<hr/> 132,831
(b) Purchases of goods and services:			
UACN Property Development Co. Plc		37,943	31,136
Warm Spring Water Nigeria Limited		144,879	109,881
Grand Cereals & Oil Mills Limited		179,397	216,192
Spring Waters Nigeria Limited		62,643	39,600
Chemical and Allied Products Plc		15,296	26,560
Tractor & Equipment Nigeria Limited		123	509
		<hr/> 440,281	<hr/> 423,878

The related party transactions were carried out on commercial terms and conditions.

(ii) Loans to directors

No loans were granted to the directors of the company during the year. (2005: Nil).

29. Post balance sheet event

There has been no material post balance sheet event to date.

30. Comparative figures

Reclassifications have been made in respect of certain prior year figures in order to conform with current year presentation.

31. Approval of the financial statements

The financial statements were approved by the directors on 11th of April, 2007.



Group Analyses of turnover, operating profit and employment of funds

	For the year ended 31st December				
Naira millions	2002 ₦	2003 ₦	2004 ₦	2005 ₦	2006 ₦
Turnover					
Foods & Manufacturing	15,593.0	19,093.6	22,821.6	24,723.7	25,197.0
Technical/Motors	1,429.0	1,035.4	1,199.3	1,387.9	1,671.7
Logistics	497.0	714.5	1,095.5	1,007.1	1,534.6
Total	<u>17,519.0</u>	<u>20,843.5</u>	<u>25,116.4</u>	<u>27,118.7</u>	<u>28,403.3</u>
Profit before financial items					
Foods & Manufacturing	2,498.8	3,498.2	2,803.2	2,732.0	2,756.4
Technical/Motors	156.7	140.2	165.2	162.4	1,144.7
Logistics	149.0	191.3	305.1	149.3	321.6
Total	<u>2,804.5</u>	<u>3,829.7</u>	<u>3,273.5</u>	<u>3,043.7</u>	<u>4,222.7</u>
Financial items:					
(Including interest and currency fluctuations)	(1,164.9)	(1,157.4)	(854.7)	(318.9)	(329.0)
Profit before taxation and minority interest	<u>1,639.6</u>	<u>2,672.3</u>	<u>2,418.8</u>	<u>2,724.8</u>	<u>3,893.7</u>
Employment of funds					
Foods & Manufacturing	6,533.1	7,592.3	10,043.7	11,623.9	13,906.3
Technical/Motors	992.6	922.4	880.5	886.9	2,002.6
Logistics	408.0	180.6	1,049.8	1,291.4	1,493.9
Total	<u>7,933.8</u>	<u>8,695.3</u>	<u>11,974.0</u>	<u>13,802.2</u>	<u>17,402.7</u>
Use of fixed assets					
Foods & Manufacturing	8,229.9	8,758.4	8,839.9	9,590.1	9,355.9
Technical/Motors	499.7	294.9	305.0	309.9	20.7
Logistics	372.3	534.3	679.1	1,064.4	1,272.1
Total	<u>9,101.9</u>	<u>9,587.6</u>	<u>9,824.0</u>	<u>10,964.4</u>	<u>10,648.7</u>



Group Five - Year Financial Summary

Naira millions	2002	2003	2004	2005	2006
Funds employed					
Ordinary shareholders' funds	6,428.6	7,919.7	11,150.0	12,895.6	16,099.2
Minorities interest	905.7	775.6	823.9	906.6	1,303.5
Creditors due after one year	20.0	711.7	1,039.0	1,706.0	1,287.3
Provision for liabilities and charges	1,562.6	1,835.6	1,671.2	2,069.4	1,200.0
Total	<u>8,916.9</u>	<u>11,242.6</u>	<u>14,684.1</u>	<u>17,741.2</u>	<u>19,890.0</u>
Employment of funds					
Fixed assets	9,101.8	9,587.6	9,824.0	11,231.6	10,748.7
Interest in subsidiary company	0.4	0.4	0.4	0.4	0.4
Trade investments	3,130.5	3,766.5	3,904.6	4,468.2	4,578.3
Long term debts	1.2	–	–	–	–
Net current (liabilities)/assets	(3,317.0)	(2,111.8)	955.1	2,041.0	4,562.6
Total	<u>8,916.9</u>	<u>11,242.6</u>	<u>14,684.0</u>	<u>17,741.2</u>	<u>19,890.0</u>
Capital expenditure	3,966.1	2,480.6	1,724.9	3,178.6	2,604.6
Depreciation	868.0	1,135.1	1,301.2	1,486.5	1,802.6
Results					
Turnover	17,519.0	20,843.5	25,116.4	27,118.7	28,403.2
Profit from operations	1,460.5	1,548.1	1,902.1	2,918.4	3,058.3
Share of profit of associated companies	439.2	534.6	352.4	560.2	639.0
Taxation	(282.9)	(481.0)	(768.6)	(915.6)	(1,074.4)
Profit after tax and minority interest	1,166.2	2,184.6	1,570.1	1,629.9	3,203.6
Dividends	(318.0)	(545.2)	(971.0)	(1,284.6)	1,284.6
Profit of the year retained	848.2	1,639.4	599.2	345.3	1,919.0
Share prices: High (kobo)	489.0	1,048.0	1,733.0	1,998.0	3,170.0
Low (kobo)	300.0	410.0	1,020.0	1,299.0	1,591.0
Market capitalisation (year-end)	<u>3,725.4</u>	<u>9,268.1</u>	<u>16,186.9</u>	<u>21,838.6</u>	<u>33,978.3</u>
Dividends per share (kobo)	35	60	85	100	100
Dividends per share (kobo) (adjusted)	–	48	100	100	100
Earnings per share (kobo)	128	240	137	127	249
Earnings per share (kobo) adjusted	–	191	247	127	249
Net assets per share (kobo)	708	958	1,048	1,074	1,365
Dividends cover (times)	<u>3.67</u>	<u>4.00</u>	<u>1.62</u>	<u>1.27</u>	<u>2.49</u>

Note:

The dividends, earnings and net assets per share of 50 kobo are computed respectively on the proposed dividends, the profit after taxation and the shareholders funds, each on the basis of the number of ordinary shares in issue as at 31st December.



Shareholders' Information

Shareholdings

According to the register of members, one shareholder of the company held more than 10% of the issued capital of the company as at 31st December.

Number of holdings	Number of shares	Number of holders	Percentage %
1 - 500	13,207,650	44,161	1.05
501 - 1,000	14,851,606	19,220	1.16
1,001 - 5,000	241,552,191	118,562	18.80
5,001 - 50,000	175,528,712	13,412	13.66
50,001 - 100,000	53,004,956	734	4.13
100,001 - 500,000	126,184,599	606	9.82
500,001 - 1,000,000	79,138,431	113	6.16
1,000,001 - 10,000,000	242,906,571	89	18.91
10,000,001 - and over	337,986,732	4	26.31
	1,284,624,258	196,901	100.00

Movement in share capital

Date	Authorised capital		Issued and fully paid capital		Consideration
	From ₦'000	To ₦'000	From ₦'000	To ₦'000	
30-9-1976	26,000	40,000	23,760	39,600	Scrip Issue (2 for 3)
23-9-1977	40,000	80,000	39,600	79,200	Scrip Issue (1 for 1)
30-9-1978	80,000	100,000	79,200	99,000	Scrip Issue (1 for 4)
30-9-1980	100,000	148,500	99,000	148,500	Scrip Issue (1 for 2)
11-4-1990	148,500	163,350	148,500	163,350	Scrip Issue (1 for 10)
16-9-1993	163,350	204,188	163,350	204,188	Scrip Issue (1 for 4)
05-4-1994	204,188	204,188	204,188	161,308	Capital Reduction
15-2-1995	204,188	204,188	161,308	181,727	Offer for subscription
03-7-1996	204,188	300,000	181,727	227,159	Scrip Issue (1 for 4)
09-8-2000	300,000	500,000	227,159	454,318	Scrip Issue (1 for 1)
27-10-2004	500,000	1,000,000	454,318	642,312	Right Issue (1 for 4)

Five year dividend history

Dividends declared during the last five years were as follows:

Date declared	Total amount ₦'000	Dividend per share	% of company profit after taxation
22nd May, 2002	136,295	15.00k	17
21st May, 2003	318,022	35.00k	34
19th May, 2004	545,181	60.00k	21
18th May, 2005	970,984	85.00k	61
17th May, 2006	1,284,624	100.00k	72



Shareholders' Information

Unclaimed dividends and share certificates

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

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

This notice is to request all affected shareholders to contact:

The Registrar
UAC Registrars Limited
Niger House
1-5 Odunlami Street
Lagos.
Tel: 01-2666229 Fax: 2663241
E-mail: uacreg@uacnplc.com

The Dividends are set out below:

Dividends	Date declared			Amount unclaimed	
	Month	Day	Year	2006 ₦'000	2005 ₦'000
29	July	7	1993	5,440	5,440
30	July	6	1994	1,270	6,470
31	July	5	1995	1,822	6,104
32	July	3	1996	6,802	12,402
33	July	9	1997	23,046	23,595
34	July	9	1998	21,758	22,018
35	May	7	1999	23,764	29,264
36	May	22	2002	16,927	17,427
37	May	21	2003	56,184	56,884
38	May	19	2004	102,237	107,994
39	May	18	2005	156,149	188,885
40	May	17	2006	259,619	-



UAC OF NIGERIA PLC

Annual General Meeting to be held at 10.00a.m on Wednesday, 23rd May, 2007 at The MIRAGE, PLOT 230, STATE HOUSING ESTATE, MCC ROAD, CALABAR.

I/We

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

.....

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held on Wednesday, 23rd May, 2007 and at any and every adjournment thereof

Dated this day of 2007.

Shareholder's Signature.....

NOTES

- (a) *Delete whichever is not applicable.
- (b) If the votes are being cast as proxy, the proxy must sign his own name but also insert the name of the shareholder he represents at the top of the form in the space provided.
- (c) A member voting in his own right as a member and also voting as proxy or representative or another or other members should fill one voting paper for his own holding and a separate paper for each of the members he is representing. Similarly those present who are acting as proxy for more than one other member must complete a separate voting form for each member they represent.
- (d) A member need not cast all his votes in one way. In such a case he should insert the number of votes for and against the motion in the squares beside the motion.

ADMISSION FORM
UAC OF NIGERIA PLC
Annual General Meeting

* Please admit

to the Annual General Meeting of UAC of Nig. Plc which will be held at The MIRAGE, CALABAR on Wednesday, 23rd May, 2007.

IMPORTANT NOTE:

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

G. A. SAMUEL
Company Secretary/Legal Adviser

UAC OF NIGERIA PLC
Annual General Meeting Admission Form
Name and address of shareholder

RESOLUTIONS

Ordinary Business	For	Against
To declare a dividend	<input type="checkbox"/>	<input type="checkbox"/>
To re-elect/elect 1. Lt. Gen. Wushishi (rtd.) 2. Dr. N. D. Moyo 3. Mr. S. G. Harford	<input type="checkbox"/>	<input type="checkbox"/>
To fix the remuneration of the Auditors	<input type="checkbox"/>	<input type="checkbox"/>
To elect members of the Audit Committee	<input type="checkbox"/>	<input type="checkbox"/>
To fix remuneration of Directors	<input type="checkbox"/>	<input type="checkbox"/>

Please indicate your wish by placing an X in the appropriate square.
(Alternatively see (c) below) ONLY PUT THE X BESIDE THE MOTION BEFORE THE MEETING AND NOT ANY OF THE OTHERS.

SIGNATURE OF MEMBER/PROXY*

DATE.....



Signature of person attending

SHAREHOLDER.....

PROXY.....



PLEASE AFFIX
STAMP

THE REGISTRAR
UAC REGISTRARS LIMITED
Niger House
1 - 5 Odunlami Street
P.O. Box 2183
Lagos
Tel: 2666229

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

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