

LIVESTOCK FEEDS PLC

RC 3315



...quality feeds nationwide

a subsidiary of  of nigeria plc



2021 ANNUAL REPORT & FINANCIAL STATEMENTS

LIVESTOCK FEEDS_{PLC}



...quality feeds nationwide



**GROWER
MASH**



FEATURES & BENEFITS

- Quick weight gain that ensures early and timely laying.
- Balanced ration for young birds between age 9-18 weeks or until 10% egg production.
- Formulated to support gradual & proper endocrinal & physiological development of growing birds.
- Free of mycotoxins that puts your growers' livability at risk.
- Designed for proper maturation of growers thus prepare them for assiduous task of egg laying.
- Feed ad libitum.
- Safe for birds consumption.

LAGOS

08077281574
08077281527

ABA

08077257574
08077281492

ONITSHA

08077281485
08077257575

JOS

08077281472
08077281465

e-mail: info@livestockfeedsplc.com **website:** www.livestockfeedsplc.com



VISION

To be the preferred brand
in animal nutritional products.

MISSION

To grow our topline at thrice
the rate of GDP growth rate
achieving an EBIT of 7%.

VALUES

- ▶ Customer Focus
- ▶ Respect for individual
- ▶ Integrity
- ▶ Team Spirit
- ▶ Innovation
- ▶ Openness & Communication



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COMPANY PROFILE

Livestock Feeds Plc (Livestock Feeds) was established as a limited liability Company in March 1963 by Pfizer as a subsidiary of the pharmaceutical business which had been introduced into Nigeria a few years earlier. Following the importation of exotic milking cows and hybrid chicken into the country by the Germans, Dutch and later Americans, the need to provide health and nutritional products led to creating Animal Health division and then the Feeds division.

The first Mill which had a processing capacity of 5MT/hr was installed in Ikeja in 1963, additional Mills were installed in Aba (1964) and Kaduna (1965) with processing capacity of 4MT/hr and 3.5MT/hr respectively. The accelerated growth in Nigeria's urban and sub-urban population, coupled with demand for poultry meat and egg, positively impacted the feed business, leading to significant growth in Livestock Feeds' business nationally. The Company was quoted on the Nigerian Stock Exchange in 1978. The impressive performance propelled the upgrading of the milling output to 10MT/hr automatic machines at Ikeja, Aba and then Benin between 1983 and 1985; a back-up mill, of 6MT/hr, was installed in Kaduna.

The Company's era of growth also witnessed the establishment of a franchise business marketing system. Livestock Feeds was the dominant brand and benchmark in the industry then, with total installed capacity of 40MT/hr and a network of 12 franchise millers. At the height of its operations, the company had 55% market share in the animal feeds industry.

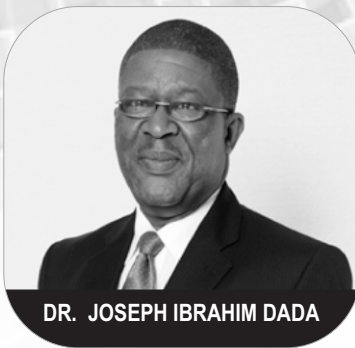
In 1997, Pfizer divested its interest in Livestock Feeds to Adset Limited through a Management Buy-out. First Capital Trust Limited and Cashcraft Asset Management were engaged as Turnaround Managers in 2005 and replaced Adset Limited as the Core investor in the company.

In late 2012, the company experienced another change in ownership when UAC of Nigeria Plc commenced investment interests by way of special placement. By Mid-2013, UAC of Nigeria Plc acquired controlling interest of over 51% in Livestock Feeds.

In 2017, the Company offered by way of Rights Issue, One billion Ordinary Shares of 50kobo each at 75kobo per share on a basis of one new ordinary share for every two existing ordinary shares. UAC of Nigeria Plc participated in the Rights Issue which brought its total shareholding to 73.29% thus, retaining its position as the largest investor in the Company.



PROFILE OF DIRECTORS



DR. JOSEPH IBRAHIM DADA

Dr. Dada graduated from Ahmadu Bello University, Zaria with a B.Sc. (Hons) in Economics. He also holds a Masters' Degree in Marketing Management from the University of Lagos. He is a member of Advertising Practitioners Council of Nigeria (APCON) and a Fellow of the National Institute of Marketing of Nigeria (NIMN). He is an alumnus of the famous Kellogg School of Management, North Western University, Illinois, USA.

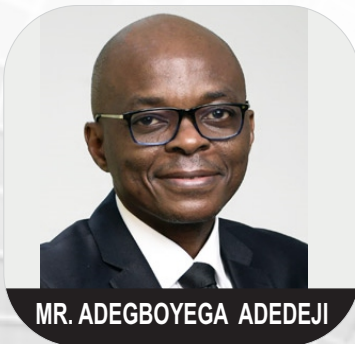
He started his career with UAC of Nigeria / Unilever in 1983 and held several positions as Product Group Manager, Export Business Manager (Asia, Australia and Eastern Europe), Divisional Ice Cream Director and Acting Divisional Managing Director, Fast Foods.

He was the Managing Director of Grand Cereals Limited, a subsidiary of UAC, from 1999 to 2010. He was thereafter elevated to the Executive Management of UAC as Group Executive Director, Corporate Services with responsibility for Human Resource, Marketing and Strategy, a position he held until his retirement after 35 years of meritorious service in July 2018.

He was on the Boards of a number of companies within the UAC Group in a non-executive capacity. These included UAC Foods Limited, UAC Restaurants Limited, UNICO (CPFA) Limited and Chairman of Warm Springs Waters Nigeria Limited. He served on the Board of Grand Cereals Limited as a Non-Executive Director and Chairman of the Board Audit, Risk and Governance Committee until August 2020.

He led the Manufacturers Association of Nigeria (MAN) from 2004 to 2009 as Chairman of Bauchi, Benue, Gombe, Nasarawa and Plateau States Branches.

Dr. Dada holds a Doctoral Degree in Business Administration and was appointed by the Federal Government of Nigeria to serve on the Governing Council of Federal Polytechnic Offa from 2007 to 2010. He is currently the Non-Executive Chairman, Board of Directors of Livestock Feeds and he sits on the Council of the Nigeria British Chambers of Commerce (NBCC) where he chairs the Micro, Small and Medium Enterprises (MSME) sectoral group.



MR. ADEGBOYEGA ADEJEJI

Mr. Adejeji is the Managing Director and Chief Executive Officer (MD/CEO) of Livestock Feeds. He holds a Bachelor's Degree in Geography from Obafemi Awolowo University Ile Ife and a Master of Business Administration from the University of Roehampton, United Kingdom. He has attended numerous leadership courses at top global and local business schools. Prior to his appointment as MD/CEO, Mr. Adejeji was the General Manager, Sales and Operations and played a pivotal role in the expansion of the Company's market position as well as development of new products. He has held several managerial positions within the UAC Group.

PROFILE OF DIRECTORS (CONT'D)



In 2001, he worked as the Regional Sales Manager in Grand Cereals Limited and became the Procurement Manager a year later. He was moved to the UACGroup office in 2007 as the Training Service Manager, a position he held until 2009 before assuming the role of the Franchise Sales Manager at UAC Restaurant Limited between 2009 and 2010.

Mr. Adedeji was on the management team of UAC Foods Limited as the National Sales & Marketing Manager in December 2010 and ultimately became the Sales Operations Manager in 2013 after the merger with South African food brand – Tiger Brands Limited.



Mr. Adeyemi is a graduate of Mathematics/Statistics with over eighteen years of diverse finance industry experience in Corporate & Investment Banking, Stockbrokerage and Asset Management. He is a Fellow of both the Chartered Institute of Stockbrokers and Institute of Chartered Accountants of Nigeria. He is also a CFA Charter holder and an alumnus of the Lagos Business School Executive Programme. Mr Adeyemi has over the years attended various training programmes in finance, leadership and governance in Ivy League institutions including the Harvard Business School.

He started his career with Merchant Bank of Commerce (MBCOM) in 1998 and left in 2000 to join the Corporate Banking Division of Lead Merchant Bank. Whilst at Lead Bank, he worked in the Investment Banking Group that was responsible for various landmark capital market transactions. He was later seconded to the brokerage arm of the Bank (Lead Investments & Securities Limited) to revamp its dwindling fortunes. He joined Core Trust & Investment Limited as Group Head, Financial Advisory Group in 2004, a position he held till 2008, when he led a new group of investors to acquire controlling interest in Fortress Capital Limited (formerly Heritage Investment and Securities Limited) as the Managing Director.

He has other business interests spanning Real Estate, Media & Advertising. He currently sits on the Board of BDT Properties and Development Company Limited, Connect Marketing Services Limited and Red Media Group in non-executive capacities. He is a Council Member of the Nigerian Exchange Limited and also chairs the Statutory Audit Committee of Central Securities Clearing Systems Plc. He joined the Board of Livestock Feeds on 26th October 2017 as an Independent Non-Executive Director. He chairs the Governance and Remuneration Committee of the Board and he is also a member of the Statutory Audit Committee.



PROFILE OF DIRECTORS (CONT'D)



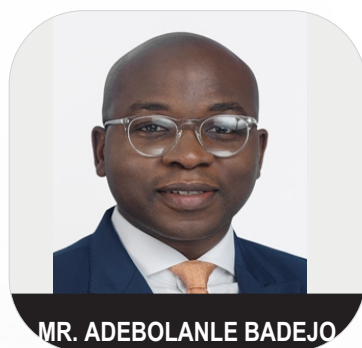
MR. DANIEL OBASEKI

Mr. Obaseki is the founder of Elevation Food Partners, an operating company focused on developing platform food companies in key markets across Sub-Saharan Africa through a combination of world-class international partners, purpose-built management teams, and long-term capital.

He has investing and operating experience across the food and natural resources sectors in Sub-Saharan Africa and broader emerging markets. Mr. Obaseki holds a B.A. in Philosophy from Dartmouth College and an MBA from the Massachusetts Institute of Technology (MIT).

Prior to founding Elevation Food Partners, Mr. Obaseki was with Proterra Investment Partners, a leading natural resources-focused investment firm spun out of Cargill Inc. At Proterra, He was co-head of the Sub-Saharan Africa investment strategy for the firm's solely emerging markets, food-focused private equity funds with c.\$1.2bn in assets under management. Mr. Obaseki was previously the CCO of Valentine Chickens Limited, an integrated poultry Company in Kwara State, Nigeria, and served on the Board of Country Bird Holdings, a leading integrated poultry company with operations across Sub-Saharan Africa. He spent the early part of his career in investments in the natural resources and agribusiness sectors at the International Finance Corporation and Tradewinds Global Investors.

Mr. Obaseki joined the Board of Livestock Feeds on 17th April 2019.



MR. ADEBOLANLE BADEJO

Mr. Badejo is a results-oriented investment professional, experienced in advising Companies on strategy, corporate finance, and capital allocation. He currently serves as Managing Director of UAC Restaurants Limited. He served as a Non-Executive Director at UAC Foods Limited and UAC Restaurants Limited. Prior to his current role, he served as an Investment Executive at UAC of Nigeria Plc where he was responsible for managing the Group's interests in the Food and Beverage sectors. Mr Badejo also served as a Principal at Themis Capital Management (Themis), an active investment company focused on concentrating capital, talent and expertise on a select number of long-term investments in companies that will benefit

from Africa's demographic trends.

Prior to joining Themis in 2018, he spent over 10 years as a Corporate Finance Executive in various leading investment banks, including Standard Bank in Lagos, London and Johannesburg, where he executed merger & acquisitions, restructuring and capital raising transactions across Sub-Saharan Africa; and Morgan Stanley in New York, where he worked on multi-billion dollar transactions for large corporates across North America. Mr Badejo graduated with a B.Sc in Systems Engineering from the University of Virginia in May 2008, and holds MBA degrees from both Columbia Business School and London Business School through the schools' Joint Global Executive MBA program.

PROFILE OF DIRECTORS (CONT'D)



MR. PETER B. MOMBAUR

Mr. Mombaur, a German, holds qualifications in Mechanical Engineering, Law and Economics. He is currently the Chairman of UAC Foods Limited, UAC Restaurants Limited, both subsidiary Companies of UAC of Nigeria Plc (UAC), a Non-Executive Director of MDS Logistics Limited, an associated Company of UAC.

He is a Co-founder of Themis Africa, an Investment Company with the aim of doing highly concentrated investments into long term platform, companies with high hands-on approach to value creation. He is also a Co-founder of The African Leadership Academy in Johannesburg, whose main objective is to develop the future leaders of Africa. He served as a Director on the Board of Promasidor, an African FMCG Company for more than ten years.

His other work experience includes – Chief Executive Officer of Terra Education, a San Diego based education travel Company; Co-Managing Director of Tana Africa, a consumer focused African Investment Company; McKinsey & Company and RWE Group, Germany's biggest utility Company.

Mr. Mombaur was appointed to the Board of Livestock Feeds on 22nd April 2022 and chairs the Board Risk Management Committee.

DIRECTORS, PROFESSIONAL ADVISERS, ETC

LIVESTOCK FEEDS PLC



...quality feeds nationwide

BOARD OF DIRECTORS

Dr. Joseph I. Dada	-	Non-Executive Chairman
Mr. Adegboyega Adedeji	-	Managing Director / CEO
Mr. Daniel Obaseki	-	Non-Executive Director
Mr. Abayomi Adeyemi	-	Independent Non-Executive Director
Mr. Adebolanle Badejo	-	Non-Executive Director
Mr. Peter B. Mombaur	-	Non-Executive Director (appointed wef April 22, 2022)
Mrs. Bolarin Okunowo	-	Non-Executive Director (retired wef March 1, 2022)

SECRETARY:

Mrs. Rose Joshua Hamis

REGISTERED OFFICE:

1, Henry Carr Street
P. M. B. 21097
Ikeja, Lagos
Tel- + 234-8077281600
Website: www.livestockfeedsplc.com
E-mail: info@livestockfeedsplc.com

REGISTRATION NUMBER:

RC 3315

INDEPENDENT AUDITOR:

KPMG Professional Services
KPMG Tower, Bishop Aboyale Cole St,
Victoria Island, Lagos
Nigeria.
Tel +234 (1) 2718955
Website: home.kpmg/ng

REGISTRARS:

Cardinal Stone (Registrars) Limited
335/337, Herbert Macaulay Way
Yaba, Lagos.
Tel - +234 (1) 7120090
Website: www.cardinalstoneregistrars.com

BANKERS:

Access Bank Plc
First Bank of Nigeria Ltd
First City Monument Bank Plc
Guaranty Trust Bank Ltd
Stanbic IBTC Bank Plc
Union Bank of Nigeria Plc
Zenith Bank Plc



FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	DEC. 2021 N' 000	DEC. 2020 N' 000	%
Revenue	14,640,268	11,179,328	30.96
Profit before taxation	565,133	546,071	3.49
Profit after taxation	429,697	503,187	(14.6)
AT YEAR END			
Share capital	1,500,000	1,500,000	
Total Equity	2,502,474	2,072,778	
PER 50K SHARE DATA Based on 2,999,999,418 ordinary shares of 50k each			
Earnings per share	14.32k	16.77k	



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 57th **ANNUAL GENERAL MEETING** of the Members of **LIVESTOCK FEEDS PLC** will be held at 1, Henry Carr Street, Ikeja, Lagos State on Thursday 21st July, 2022 at 10.00am to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the Members, the Report of the Directors, the Financial Statements of the Company for the year ended December 31, 2021 together with the Reports of the Auditors and the Audit Committee thereon.
2. To re-elect the following Directors retiring by rotation:
 - i. Mr. Daniel Obaseki
 - ii. Mr. Adebolanle Badejo
3. To elect Mr. Peter Mombaur as a Non-Executive Director
4. To authorize the Directors to fix the remuneration of the Auditors for the financial year ending 2022.
5. To elect members of the Statutory Audit Committee
6. To disclose the Remuneration of Managers of the Company

SPECIAL BUSINESS

7. To fix the remuneration of the Directors
8. To renew the general mandate given to the Company to enter into recurrent transactions with related parties.
9. To consider and if thought fit, pass the following, with or without modification, as special resolutions of the Company:
 - (a) In compliance with Section 124 of the Companies and Allied Matters Act No. 3 of 2020 (as amended) and the Companies Regulations 2021, the shareholders hereby approve the cancellation of the Company's 1,000,000,582 (One Billion, Five Hundred and eighty-two) unissued ordinary shares of N0.50k (fifty kobo) each and authorise the Directors to take all such lawful steps as may be required by statute and/or regulations for implementing the cancellation of the Company's unissued shares.
 - (b) That further to the resolution above, Clause 6 of the Memorandum of Association of the Company be amended to read as follows: "The issued share capital of the Company is N1,499,999,709 (One Billion, Four Hundred and Ninety nine Million, Seven Hundred and Nine Thousand,) divided into 2,999,999,418 (Two Billion, Nine

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

LIVESTOCK FEEDS PLC



...quality feeds nationwide

Hundred and Ninety nine Million, Nine Hundred and Ninety Nine Thousand, Four Hundred and Eighteen) ordinary shares of ₦0.50 (Fifty kobo) each”.

- (c) That the Directors be and are hereby authorised to take all such lawful steps, pass all requisite resolutions and do all such other lawful acts and/or things as may be necessary for and/or incidental to giving effect to the above resolutions; and all prior lawful steps taken by the Directors in the above regard be and are hereby ratified.

Dated this 6th day of May 2022

BY ORDER OF THE BOARD

ROSE JOSHUA HAMIS (MRS)

AG. COMPANY SECRETARY

FRC/2013/ICSAN/00000002356

Registered Office

1, Henry Carr Street, Ikeja.

Lagos State Nigeria





COMPLIANCE WITH GOVERNMENT DIRECTIVES ON COVID-19 AND RELATED GUIDELINES

To ensure the safe conduct of the 57th Annual General Meeting in accordance with the health advisory of Nigeria Centre for Disease Control on physical distancing and the restriction on mass gatherings due to the Covid-19 pandemic, and in line with guidelines issued by the Corporate Affairs Commission (CAC) on the conduct of the Annual General Meeting (AGM) of Public Companies by Proxies, Livestock Feeds Plc has obtained the approval of CAC to hold the AGM by Proxy.

PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrars, Cardinal Stone (Registrars) Limited, 335/337, Herbert Macaulay Way, Yaba, Lagos or send via email to registrars@cardinalstone.com not later than 48 hours before the time fixed for the meeting.

In line with the CAC Guidelines, attendance at this AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

- (i) Dr. Joseph I.Dada
- (ii) Mr. Adegboyega Adedeji
- (iii) Aare Kamorudeen Ajao Danjuma
- (iv) Mr. Olufemi F. Oduyemi

All completed proxy forms should be sent by email to the Registrars at registrars@cardinalstone.com

STAMPING OF PROXY FORMS

The Company has made arrangement at its cost for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated timeline.

LIVE STREAMING OF THE AGM

The Annual General Meeting will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live stream would be made available at the Company's website at www.livestockfeedsplc.com

CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of Members and Transfer Books will be closed from Monday July 4, 2022 to Friday July 8, 2022 both days inclusive for the purpose of updating the Register of Members.

NOMINATION TO THE STATUTORY AUDIT COMMITTEE

Pursuant to Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising of three members and two non-executive directors. Section 404 (5) has mandated that all members of the audit committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Any member may nominate another member of the company to the audit committee by giving written notice of such nomination to the secretary of the company at least 21 days before the annual general meeting and any nomination not received prior to the meeting as stipulated is invalid.



RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Shareholders and other holders of the Company's securities have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Friday July 15, 2022.

UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS

Shareholders are hereby informed that a sizeable quantity of share certificates and dividend warrants have been returned to the Registrars are unclaimed. Some dividend warrants have neither been presented to the Bank for payment nor to the Registrar for revalidation. Affected members are advised to contact the Registrars, Cardinal Stone (Registrars) Limited) at 335/337, Herbert Macaulay Way, Yaba, Lagos during normal business hours, email them at registrars@cardinalstone.com or call them on 01-7120090.

RECORD OF DIRECTOR'S ATTENDANCE AT BOARD MEETINGS.

In accordance with Section 301 of the Companies and Allied Matters Act 2020, the register of Directors and record of Directors' attendance at Board Meetings during the year 2021 will be available for inspection at this Annual General Meeting.

DIRECTORS RETIRING BY ROTATION

In accordance with the Articles of Association of the Company, Mr Daniel Obaseki and Mr Adebolanle Badejo are the Directors retiring by rotation at the meeting and being eligible have offered themselves for re-election.

Also in accordance with the Law, Mr. Peter B. Mombaur, having been appointed to the Board since the last Annual General Meeting, offers himself for election at this meeting.

The biographical information of the Directors submitted for re-election and election are contained in the Annual Report and on the Company's website at www.livestockfeedsplc.com

E- ANNUAL REPORT

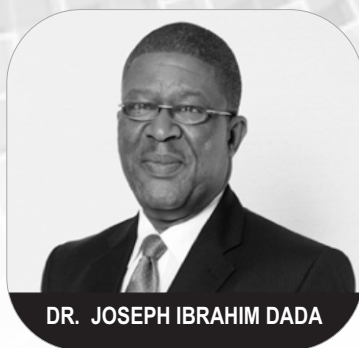
The electronic version of the Company's 2021 Annual Report is available at the Company's website www.livestockfeedsplc.com shareholders who have provided their email-addresses to the Registrars will receive the electronic version of the Annual Report through e-mail. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report should please make a request by email to the Registrar at registrars@cardinalstone.com

E-DIVIDEND/BONUS

Pursuant to the directives by the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank accounts, stock-broking accounts and CSCS accounts for the purpose of e-dividend/bonus. A form is attached to the Annual Report for completion by the shareholders to furnish the particulars of their accounts to the Registrar (Cardinal Stone Registrars Limited) as soon as possible.



CHAIRMAN'S STATEMENT



DR. JOSEPH IBRAHIM DADA

Dear Esteemed Shareholders of Livestock Feeds PLC,

It gives me a great joy to warmly welcome you, the Shareholders, Members of the Board of Directors, Ladies and Gentlemen to the 57th Annual General Meeting of our company, Livestock Feeds PLC.

This is our second Annual General Meeting since the COVID-19 pandemic. While we are pleased that things are improving, we miss the closeness and warmth of face-to-face interactions that were obvious in our complete physical meeting. However, as we continue to deal with and recover

from the pandemic, it is my hope to continuously find you all safe and healthy. I would also like to express my sincere gratitude to everyone who is participating virtually. On behalf of everyone here present, we pray that you all stay secure and well.

Flowing from the COVID-19 pandemic, the year 2021 remained challenging for most businesses. For us at Livestock Feeds PLC, it was a test of our resilience; to that extent, concerted efforts were made to deal with the negative impact of the pandemic on our business. We adjusted and streamlined our operations in line with the challenging demands while at the same time, accelerated our expansion on capital investment and strategic partnerships. This enabled us to take advantage of current market opportunities and be ready for future opportunities. Our efforts and resolute spirit were able to put us on a path of growth and competitiveness.

Our Company performance in year 2021 as well as its growth plan, attest to our coordinated effort to reposition the company for sustained growth. Having said that, please permit me to summarize progress made toward achieving established targets while mitigating the effects of the challenges as well as some important business concerns that influenced our operations during the year.

ECONOMIC AND BUSINESS ENVIRONMENT

The Nigerian economic and business environment was a huge dilemma for most organizations due to the aftermath of the COVID-19 pandemic. It truly tested our determination, wherein, the whole humankind had to deal with a very different world than the one we had known, yet, providing us with the unique opportunity of adjusting to the new normal and consequent repositioning with a view to dealing with such situations as thrown up by the pandemic.

The Nigerian economy officially entered recession, which is reported as the worst in 33 years by third quarter of 2020. This sudden downturn resulting from the throes of the pandemic, was made worse by the fall in crude oil prices due to shrunken global demand and containment issues at the end of 2020. These impacted the key macroeconomic fundamentals negatively.



CHAIRMAN'S STATEMENT (CONT'D)

According to the National Bureau of Statistics (NBS), Nigeria's real GDP increased from an estimate of N70.01 trillion recorded in 2020 to N72.39 trillion in 2021, representing a recovery from the recession recorded in the second and third quarters of 2020. The growth of 3.4% year-on-year is an uptick from the 1.92% contraction recorded in the previous year.

This is the fastest GDP growth recorded in 7 years. The last time Nigeria's economy grew beyond 3.4% was in 2014 when the real GDP expanded by 6.22% year-on-year.

The Nigerian agricultural sector contributed significantly to the country's GDP in 2021. Between Q3 and Q4 2021, it contributed almost 30% to the total GDP, with an increase of about 6% compared to its contribution earlier in Q1 and Q2 2021.

Despite this, the performance of small and large holder farms including SME retail businesses can best be described as lack lustre with the massive decline in purchasing power of consumers. These issues were further compounded by the increasing number of difficulties ranging from insecurity, kidnapping, climate change and other socio-economic challenges distorting the growth and advancement in our sector.

However, with the roll out of robust agricultural palliatives and fiscal initiatives by the government to help cushion the effect of COVID-19 and boost the economy, we experienced an increase in innovation in the agricultural sector with the emergence of new and diverse manufacturing trends.

THE FEED MILLING INDUSTRY

Animal Feed account for over 70% of the cost of Livestock farming, therefore making the feed mill industry, an important component in Livestock farming. The feed mill industry has been plagued with a plethora of interrelated challenges ranging from shortage of raw materials, insecurity, and lack of forex. It is also becoming increasingly difficult to move raw materials from the different supply regions in Nigeria, due to disruptions and social unrest. These factors impact and continue to militate against achieving cost efficiency in feed production.

The high cost of feeds is therefore making Livestock farming and related operations unattractive for new farmers and unbearable for the existing ones especially in the poultry segment.

It is also pertinent to recall the intermittent cases of the outbreak of avian influenza (bird flu) in some livestock farm settlements which further depressed the sales of poultry feed in the country.

Livestock Feeds PLC, in order to mitigate the effect of the avian flu, embarked on several biosecurity campaigns across the country using our Farmers' Forum platform to educate farmers on simple and sustainable preventive measures.

Despite these headwinds, we are poised to defend our market share and to remain the brand of choice by sustaining our innovative, competitive and value addition to our farmers and distributors across the country.



CHAIRMAN'S STATEMENT (CONT'D)

2021 OPERATING RESULTS

Livestock Feeds PLC has continued to contribute to the agricultural sector value chain in order to boost the Nigerian economy. To drive our contribution as a company, our topmost priority has been anchored on safety and quality. This has ensured the welfare of our team who work in an enabling environment and the high level of satisfaction through delivery of quality products to our customers.

In addition, our reviewed Business Continuity Plan remained robust and encompassing to ensure your company operated seamlessly in the event of any disruption. Our Sustainability Plan that was designed and implemented has also given us a competitive edge in our industry.

A major downtrend for Livestock Feeds PLC was our inability to access the Commercial Agricultural Credit Scheme (CACS) from the Central Bank of Nigeria as was the case in previous years. This led to high interest rates from funds sourced directly through the Commercial Banks with attendant negative impact on cost of production and cash flow.

It is with heartfelt gratitude that I would like to express my thanks to the untiring efforts of the Leadership team for their incredible courage, innovativeness, and perseverance. While pushing to recapitalize our debt, they took significant initiatives on cost management and prioritization of capital investments. These initiatives and more, gives the assurance that Livestock Feeds PLC is competent to adjust to the new normal and weather the storm notwithstanding the uncertainty of the times.

Overall, I am pleased to report that our company maintained a good performance across all financial metrics in 2021, reinforcing our resilience and tenacity. We recorded a pre-tax profit of N565.13 million compared to N546.07 million achieved in 2020 representing a 3.49% increase.

Also, the total revenue of N14.64bn for 2021 represented an upward trend of 30.96% when compared to the revenue of N11.179bn achieved in 2020.

2022 OUTLOOK

The Nigerian economy in 2022 would be largely influenced by a combination of domestic and international factors. The 2023 elections will dominate and crowd out policy implementation while the Russia-Ukraine war will impact global supply chain, particularly for the oil market and agricultural commodities.

According to multiple economic data sources, Nigeria's economic growth would be tepid with an estimated GDP of 3.4% and recovery will be slow. It is expected that there will be a rebound in crude oil prices although inflation is expected to remain elevated.

Also, the high cost of raw materials such as maize, soyabeans and wheat offal is projected to heighten the pressure in 2022. The exchange rate is expected to witness increased fluctuations as the Naira continues to weaken against the US Dollar.

In view of these underlying scenarios, Livestock Feeds PLC is undertaking several initiatives directed at improving customer reach and satisfaction, cost efficiency, innovative product offerings and robust route to market architecture with a view to mitigating the identified risks.



CHAIRMAN'S STATEMENT (CONT'D)

These measures would also help to develop long-term value for shareholders. It is noteworthy to state that the Board of Directors have increased its interactions and experience sharing with the senior leadership team to ensure that the required focus and attention are given to timely implementation.

BOARD CHANGES

A Board review was conducted in 2021 to appraise the business with a view to enhancing our performance and ensuring best practices. All the directors took part in the review and acknowledged the Managing Director and his Leadership team's cohesiveness and effectiveness. The review also identified areas for improvement, which the board will address going forward in 2022.

In the effort to continue to strengthen the Board's capacity to deliver on its mandate, the Board has appointed Mr. Peter Mombaur to the Livestock Feeds PLC Board.

On behalf of the Board, I am pleased to welcome Mr. Peter Mombaur who joined the Board with effect from April 22nd, 2022. He brings his wealth of experience from across multiple market segments within and outside Nigeria.

We also extend our appreciation to Mrs. Bolarin Okunowo who resigned from the Board effective March 1st, 2022, following her appointment as the Managing Director of CAP PLC. We remain deeply grateful for her commitment and contributions to the Board while wishing her success in her new role.

CONCLUSION

Distinguished shareholders, I sincerely appreciate you all for the consistently enthusiastic support of our Company and hope to continue to enjoy your patience and cooperation as we work hard at ensuring our Company's sustainable profitability.

My gratitude also goes to our devoted customers for their unalloyed loyalty and commitment to our brands and Company. Indeed we would not be here without them. I would also like to express deep appreciation to my fellow board members for their unwavering commitment and perseverance. We had an arduous year no doubt but our Company is well positioned to continue to ride the crest, while sustaining the momentum in the years ahead.

Lastly, I would like again to place on record the Board's thankfulness to our leadership team and staff for their exceptional efforts throughout the year. Their dedication and resilience will undoubtedly continue to put our Company in good stead to take advantage and capitalize on future possibilities.

Thank you for your time and attention.

Dr. Joseph I. Dada
Chairman, Board of Directors



REPORT OF THE DIRECTORS

FOR YEAR ENDED 31 DECEMBER, 2021

The Directors hereby submit their report to Members together with the audited financial statements of the Company and independent auditor's report for the year ended 31 December 2021.

RESULTS

	2021 N'000	2020 N'000
Revenue	14,640,268	11,179,328
Gross profit	1,578,174	1,285,618
Profit before minimum taxation	565,133	546,071
Minimum tax expense	(73,201)	(27,948)
Profit after minimum taxation	491,932	518,123
Income tax expenses	(62,235)	(14,936)
Profit for the year	429,697	503,187
Basic earnings per share	14.32 Kobo	16.77 Kobo

LEGAL FORM

The Company was incorporated as a limited liability company on 20 March 1963 and was quoted on the Nigerian Stock Exchange in 1978.

PRINCIPAL ACTIVITY

The principal activity of the Company is agriculture. The Company is engaged in the manufacturing and marketing of livestock feeds and concentrates.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report provides clear information on the Company's governance structures, policies and practices as well as environmental and social risks and opportunities. The Board recognizes that effective governance is a key imperative for strong corporate performance and sustainable success of the Company.

The Corporate Governance of Livestock Feeds Plc (LSF or the Company), is organized in accordance with the provisions of the Memorandum and Articles of Association of the Company, applicable statutory provisions such as the Companies and Allied Matters Act, Investment and Securities Act, Codes of Corporate Governance, the Rules and Regulations of the Securities and Exchange Commission and the Nigerian Exchange Group.

Our corporate governance strategy ensures ongoing compliance with relevant codes of corporate governance as well as the post listing requirements of the Nigerian Exchange Limited.

LSF is a Company of integrity and high ethical standard. Our reputation for honest, open and dependable business conduct, built over the years, is as much an asset as our people and brand. We are committed to conducting our business in full compliance with the laws and regulations of Nigeria



REPORT OF THE DIRECTORS (CONT'D)

and our group Code of Business Conduct. Our actions and interactions with customers, employees, government officials, suppliers, shareholders and other stakeholders reflect our values, beliefs and principles.

THE BOARD OF DIRECTORS

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the Articles to be exercised by the Company in the general meeting.

The Board is responsible for developing the Company's strategy and ensuring that its available assets are utilized towards the attainment of its set strategy and plans. The Board performs supervisory oversight over management activities ensuring that the affairs of the Company are conducted in a manner that increases the value of shareholders' investments and is also beneficial to all other stakeholders of the Company. The Board provides overall guidance and policy direction to the Management and acts in the overall interest of stakeholders and is accountable to the shareholders. The Board prides itself with a blend of knowledgeable and experienced professionals with credible track record.

The Board of Directors of Livestock Feeds is made up of five (5) Non-Executive Directors (one of whom is independent), and the Managing Director/CEO. The Board is headed by a Non-Executive Chairman who is separate from the Managing Director, who heads the Management of the Company.

The current Directors of the Company are as follows:

Dr. Joseph Ibrahim Dada	-	Non-Executive Chairman
Mr. Adegboyega Adedeji	-	Managing Director/CEO
Mr. Abayomi Adeyemi	-	Independent Non-Executive Director
Mr. Daniel Obaseki	-	Non-Executive Director
Mr. Adebolanle Badejo	-	Non-Executive Director
Mr. Peter Mombaur	-	Non-Executive Director

The following are matters reserved for the Board of Directors of the Company:

- Formulation of policies, strategy and overseeing the management and conduct of the business;
- Formulation and management of risk management framework;
- Succession planning and the appointment, training, remuneration and replacement of Board members and senior management;
- Overseeing the effectiveness and adequacy of internal control systems;
- Overseeing the maintenance of the Company's communication and information dissemination policy;
- Performance appraisal and compensation of board members and senior executives;
- Ensuring effective communication with shareholders, stakeholders, the investing public;
- Ensuring the integrity of financial controls and reports;



REPORT OF THE DIRECTORS (CONT'D)

- i) Ensuring good corporate governance and maintenance of ethical standards in the Company;
- j) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units;
- k) Definition of the scope of delegated authority to Board Committees and management and their accountabilities, with the Board retaining overall responsibility for all matters delegated;
- l) Definition of the scope of corporate social responsibility through the approval of relevant policies;
- m) Reporting annually on the nature and extent of the Company's social, ethical, safety, health and environmental policies and practices;
- n) Approval and enforcement of a Code of Ethics and Business Practices for the Company and Code of Conduct for Directors;
- o) Protection of the statutory and general rights of all shareholders;
- p) Accountability and responsibility for the performance and affairs of the Company;
- q) Overseeing the Internal Audit Function, approving the Internal Audit Plan, and appointing and removing the Head of the Internal Audit Function on the recommendation of the Committee responsible for audit; and
- r) Providing oversight over Information Technology Governance.

BOARD APPOINTMENT

The Board appointment process is guided by transparent and high ethical standards. In other words, the process of appointment to the Board of Livestock Feeds is transparent and in accordance with relevant regulatory laws and guidelines. In compliance with the SEC Code of Corporate Governance 2011, the Nigerian Code of Corporate Governance 2018 and the Board Charter, the Directors are selected based on their skills, competence and experience.

The process of appointing Directors involves a declaration of a vacancy at a Board Meeting; sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time, and the reference of the curriculum vitae to the Risk and Governance Committee for necessary background checks, informal interviews/interactions and recommendation for approval to the Board of Directors. Upon approval by the Board, the Nigerian Exchange, the Securities and Exchange Commission and the Corporate Affairs Commission are notified of the appointment of the candidate. A Director appointed by the Board is presented at the next Annual General Meeting of the members of the Company for election in line with statutory requirement.

DIRECTORS' INDUCTION AND TRAINING

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference of the Board and its Committees, the Board structure, Board plan for current year, his entitlements and demand on his time as a result of the appointment. The letter of appointment is accompanied with the Memorandum and Article of Association of the Company, previous year's Annual Report & Financial Statements and the Code of Corporate Governance for Public Companies in Nigeria. This helps the Director to gain an understanding of the Company, its



REPORT OF THE DIRECTORS (CONT'D)

history, culture, core values, governance framework, business principles, people, operations, brands, projects, policies, processes, procedures and plans.

A new Director undergoes an induction/orientation program whereby he is introduced to the members of the Board of Directors and leadership team of the Company. Operational visits are also arranged for the new Director to meet the leadership team and get acquainted with business operations.

CHAIRMAN AND MANAGING DIRECTOR/CEO POSITIONS

In accordance with good corporate governance practices, the positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and while the Managing Director is responsible for implementation of the Company's business strategy and the day-to-day management of the business, the Chairman is not involved in the day-to-day operations of the Company and is not a member of any Committee of the Board.

NON-EXECUTIVE DIRECTORS

The Non-Executive Board members possess strong knowledge of the Company's business and usually contribute actively at Board meetings.

INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board has an independent Director who brings objectivity and independent judgment to board deliberations. In accordance with the Nigerian Code of Corporate Governance, the continued independence of the Independent Non-Executive Director is annually ascertained against set criteria.

BOARD EVALUATION

A Board evaluation for the 2021 financial year was undertaken by DCSL Corporate Services Limited (DSCL) to review the performance of the Board, Board Committee and individual Directors. Save for the highlighted gaps, the Board of Directors of Livestock Feeds has substantially complied with corporate governance procedures and processes as stipulated in the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance.

The Summary of the DSCL Board evaluation report is on page 38 of the Annual Report & Financial Statements.

BOARD CHANGES

During the year under review, Mrs. Bolarin Okunowo was appointed as a Non-Executive Director effective April 1, 2021. The Nigerian Exchange, Securities and Exchange Commission and the Corporate Affairs Commission were notified of the changes.

RECORDS OF DIRECTORS' ATTENDANCE AT BOARD MEETINGS

The Board met six (6) times during the 2021 financial year. The following table shows the attendance of Directors at Board meetings during the financial year:



REPORT OF THE DIRECTORS (CONT'D)

Name of Director	21/01/2021	22/03/2021	22/04/2021	22/07/2021	19/10/2021	03/12/2021
Dr. Joseph Dada	P	P	P	P	P	P
Mr. Adegboyega Adedeji	P	P	P	P	P	P
Mr. Adebolanle Badejo	P	P	P	P	P	P
Mrs. Bolarin Okunowo	YTBA	YTBA	P	P	P	P
Mr. Abayomi Adeyemi	P	P	P	P	P	P
Mr. Daniel Obaseki	P	AWA	AWA	P	P	AWA

Keys:

P	=	Present
YTBA	=	Yet To Be Appointed
AWA	=	Absent With Apology

In accordance with the Companies and Allied Matters Act, the record of Directors' attendance at Board meetings during the year will be available for inspection at the Annual General Meeting.

DIRECTORS RETIRING BY ROTATION

In accordance with the Articles of Association of the Company and Section 285 of the Companies and Allied Matters Act 2020, Messrs. Adebolanle Badejo and Daniel Obaseki are the Directors retiring by rotation and being eligible have offered themselves for re-election.

Their biographical information are contained on page 6 of the 2021 Annual Report and Financial Statements.

Also in accordance with the Law, Mr. Peter Mombaur having been appointed to the Board since the last Annual General Meeting, retire at this meeting and offers himself for election.

His biographical information is contained on page 7 of the 2021 Annual Report and Financial Statements.



REPORT OF THE DIRECTORS (CONT'D)

BOARD COMMITTEES

The Board carried out its oversight function through its standing Committees, each of which has its own Terms of Reference that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any committee. The Board has two standing Committees, namely: the Risk Management Committee and the Governance and Remuneration Committee.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for supporting and advising the Board on risk management and financial reporting in the Company among others. The Board has overall responsibility for risk management and its other terms of reference.

The following are the Committee's Terms of Reference:-

1. Assist the Board in its oversight of risk management and monitoring the Company's performance with regards to risk management;
2. Recommend for Board approval the risk policy of the company and review its implementation at all levels to achieve the company's objective
3. Ensure that risk management policies are integrated into the Company's culture;
4. Review quarterly risk management reports and make recommendation to the board on appropriate actions;
5. Periodically evaluate the Company's risk profile, action plans to manage high risks and progress on the implementation of these plans;
6. Ensure that the Company's risk exposures are within the approved risk control limits.
7. Undertake at least annually a thorough risk assessment covering all aspects of the Company's business with a view to using the result of the risk assessment to update the risk management framework of the Company.
8. Understand the principal risk to achieving the Company's strategy.
9. Ensure that the business profile and plans are consistent with the Company's risk appetite.
10. Make recommendation on the Company's risks management framework including responsibilities, authorities and control.
11. Review the process for identifying and analyzing business level risks.
12. Review the structure for, and implementation of, risk measurement and reporting standards as well as methodologies.
13. Review key control processes and practices of the Company, including limit structures.
14. Ensure that the Company's risk management practices and conditions are appropriate for the business environment.



REPORT OF THE DIRECTORS (CONT'D)

15. Assess new risk return opportunities.
16. Make recommendations to the Board on capital expenditure, specific projects and their financing within the overall approved plan.
17. Appraise the investment climate and recommend to the board where, when and what investment(s) to make with the company's surplus funds
18. Make recommendations on management of Company's cash and debt exposure/ borrowings.
19. Monitor compliance with applicable laws and regulations by the Company.
20. Review updates on implementation level of Internal and external Auditors' recommendations by management from Board representatives on the Audit Committee.

The Committee met three (3) times during the financial year. The following table shows Members' attendance at the meetings:

MEMBERS	15/04/2021	15/7/2021	14/10/2021
Mrs. Bolarin Okunowo (Chairperson)	P	P	P
Mr. Adegboyega Adedeji	P	P	P
Mr. Abayomi Adeyemi	P	P	P
Mr. Daniel Obaseki	P	P	AWA

Keys

P: Present

AWA: Absent With Apology

GOVERNANCE & REMUNERATION COMMITTEE

The Governance & Remuneration Committee is established to assist the Board in its responsibilities of nominating Directors and oversight of governance matters in the Company including determining and fixing remuneration of the Board and senior management of the Company.

The following are the Committee's Terms of Reference:-

1. To periodically evaluate the skills knowledge and experience required on the Board and make recommendations on the composition of the Board;
2. To define the criteria and the procedure for the appointment of Directors to the Board and the Board committees;
3. To prepare a job specification for the Chairperson's position, including an assessment of time commitment required of the candidate;
4. To nominate new Directors for appointment to the Board of the Company;
5. To recommend the appointment, remuneration and promotion of Executive Directors and



REPORT OF THE DIRECTORS (CONT'D)

Senior Management;

6. To perform annual evaluation of the Board and Board Committees;
7. To set the performance targets/criteria and evaluate the performance of the Managing Director/CEO and make recommendations to the Board on his performance;
8. To review from time-to-time succession planning proposals and implementation;
9. To document and review the Board Charter and composition, roles, responsibilities, authorities, reporting framework of Board Committees;
10. To make recommendations to the Board on the adoption of a Code of Conduct (including policy on trading in Company's shares) for Directors and Senior Executives and to review the same from time to time;
11. To make recommendations to the Board on the whistle blowing process for the Company that encourages stakeholders to report any unethical activity/breach in Corporate Governance;
12. To oversee continuing education of Board members and the induction of new Directors;
13. To make input into the annual report of the Company in respect of Directors' compensation;
14. To review and make recommendations to the Board for approval on the Company's organization structure and propose amendments.

The Committee met three (3) times during the financial year. The following table shows Members' attendance at the meetings:

MEMBERS	15/04/2021	15/7/2021	18/10/2021
Mr. Abayomi Adeyemi (Chairman)	P	P	P
Mr. Adebolanle Badejo	P	P	P

Keys

P: Present

STATUTORY AUDIT COMMITTEE

By virtue of section 404 (2) of the Companies and Allied Matters Act, 2020, every Public Company is required to establish a Statutory Audit Committee ("SAC")

In the period under review, the Committee comprised of the following members:

Aare Kamorudeen Ajao Danjuma	Chairman/Shareholder
Prince Bassey Manfred	Member/Shareholder
Mr. Olufemi Fredrick Oduyemi	Member/Shareholder
Mr. Adeyemi Abayomi	Member/Independent Non-Executive Director
Mr. Adebolanle Badejo	Member/Non-Executive Director

REPORT OF THE DIRECTORS (CONT'D)



The Profiles of the shareholders' representatives on the Statutory Audit Committee during the period are available on the Company's website at livestockfeedsplc.com.

TERMS OF REFERENCE OF THE STATUTORY AUDIT COMMITTEE

- Ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;
- Review the scope and planning of audit requirements;
- Review the findings on management matters in conjunction with the external auditors and departmental responses thereon;
- Keep under review the effectiveness of the company's system of accounting and internal control;
- Make recommendations to the Board with regard to the appointment, removal and remuneration of the External Auditors of the company;
- Authorize the Internal Auditor to carry out investigations into any activities of the company, which may be of interest or concern to the Committee.
- Receive quarterly/periodic reports from the Internal Audit Unit.

In addition, the 2011 Securities and Exchange Commission (SEC) Code of Corporate Governance and the Nigerian Code of Corporate Governance in Nigeria 2018 also assigns other specific responsibilities to the Committee.

The Committee met four times during the year and the following table shows the names of the Committee members and their attendance at the meetings.

MEMBERS	18/03/2021	15/4/2021	15/07/2021	14/10/2021
Aare Kamorudeen Danjuma (Chairman)	P	P	P	P
Prince Manfred Bassey	P	P	P	P
Mr. Abayomi Adeyemi	P	P	P	P
Mr. Olufemi Fredrick Oduyemi	P	P	P	P
Mr. Adebolanle Badejo	AWA	P	AWA	P

Keys:

P = Present

AWA = Absent With Apology



REPORT OF THE DIRECTORS (CONT'D)

ACCOUNTABILITY, AUDIT AND CONTROL FINANCIAL REPORTING

The Directors make themselves accountable to the shareholders through the quarterly publications of the Company's financial performance and annual reports.

The Board is mindful of its responsibilities and satisfied that in the preparation of its financial reports, it has presented a balanced assessment of the Company's position and prospects in accordance with its obligation under the Code of Corporate Governance.

Messrs. KPMG acted as the Company's external auditors during the financial year under review.

CONTROL ENVIRONMENT

The Company has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board Meetings.

The Board has continued to place emphasis on risk management as an essential tool for achieving the Company's objectives. Towards this end, and in line with the Corporate Governance Code, the Board now has a Risk Management Committee and there is in place robust risk management policies and mechanisms to ensure the identification of risks and effective controls.

The Board approves the annual budget for the Company and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure

COMPANY SECRETARY

The Company Secretary plays an important role in supporting the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company. The Company Secretary ensures adequate dissemination of information among Board members and between the Board and the management of the Company. In furtherance of Board and Committee meetings, the Company Secretary in conjunction with management, undertakes the preparation of the necessary papers and other documents requisite for the success in deliberations. The Company Secretary is responsible for providing the Board and Directors individually, with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Company.

The office of the Company Secretary ensures that the Company complies with the relevant regulatory laws including the Investment and Securities Act, the Securities and Exchange



REPORT OF THE DIRECTORS (CONT'D)

Commission (SEC) Rules and Regulations, the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Nigerian Code of Corporate Governance (NCCG), the Factories Act, the Companies and Allied Matters Act, the Nigeria Exchange Rules and Regulations, amongst others. The procedure for the appointment and removal of the Company Secretary is a matter for the Board.

DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

Directors' interest in the issued share capital of the Company as recorded in the Register of Members and as notified by the Directors in compliance with CAMA and the listing rules of the Nigerian Exchange Limited were as follows:

	31-Dec-21 Direct	31-Dec-21 Indirect	31-Dec-20 Direct	31-Dec-20 Interest
Name				
Dr. Joseph Dada (Non-Executive Chairman)	-	-	-	-
Mr. Adegboyega Adedeji (Managing Director)	-	-	-	-
Mrs. Bolarin Okunowo (Non-Executive Director appointed April 1, 2021)	-	2,198,745,772	-	2,198,745,772
Mr. Abayomi Adeyemi (Independent Non-Executive Director)	-	-	-	-
Mr. Daniel Obaseki (Non-Executive Director)	-	-	-	-
Mr. Adebolanle Badejo (Non-Executive Director)	-	-	-	-

TRADING IN SECURITY POLICY

In compliance with the Rules of the Nigerian Exchange Limited, the Company has a Security Trading Policy in place to guide the Board, Employees, External Advisers and Related Parties on trading in securities of the Company within the closed period. Under the policy, the closed period is when no Director, Employee, External Adviser and related parties with inside information can trade in the company's securities. The closed period is 15 days prior to the date of meeting or from the date of circulation of agenda papers pertaining to a Board meeting on any of the following matters up to 24 hours after the price sensitive information is submitted to the exchange:

- Declaration of financial results (quarterly, half-yearly and annual);
- Declaration of dividends (interim and final);
- Issue of securities by way of public offer or rights or bonus etc;



REPORT OF THE DIRECTORS (CONT'D)

- d) Any major expansion plans or winning of bid or execution of new projects/disposal of the whole or a substantial part of the undertaking;
- e) Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the securities of the company;
- f) Disruption of operations due to natural calamities;
- g) Litigation/dispute with a material impact;
- h) Any information which if disclosed in the opinion of the person discharging the same is likely to materially affect the price of the securities of the Company.

We hereby confirm that no Director traded in the securities of the Company within the closed period.

CODE OF BUSINESS CONDUCT

As a member of the UAC Group, the employees of Livestock Feeds Plc subscribe to UACN Code of Business Conduct. The Code forms the basis of the conduct expected of every employee of the Company and reflects our core values and principles. The Board of Directors is responsible for ensuring that the Code is communicated to, understood and observed by all employees.

SHAREHOLDERS COMPLAINTS MANAGEMENT POLICY

We have put in place a Complaints Management policy to handle and resolve complaints from our shareholders and investors. The policy was defined and endorsed by the Company's senior management, who is also responsible for its implementation and for monitoring compliance. The policy has been posted on the Company's website and shall be made available to shareholders of the Company at the Annual General Meeting.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Company, for the purpose of section 303 of the Companies and Allied Matters Act 2020, of any declarable interest in contracts or proposed contracts with the Company during the year.

WHISTLE BLOWING PROCEDURE

The Company has a Whistle Blowing Procedure which ensures that reports are anonymously received, discretely investigated and a report sent to the Audit Committee.

SHAREHOLDERS

The Company ensures the existence of adequate interaction among the Shareholders, the Management and the Board of the Company. The Company's General Meetings provide Shareholders the platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are conducted in a manner that facilitates Shareholders or their Proxies' participation in accordance with relevant regulatory and statutory requirements.

The Company encourages Shareholders to attend these meetings by ensuring that notices of meetings and other information required by Shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary additionally affords



REPORT OF THE DIRECTORS (CONT'D)

Shareholders channels of communication to the Board and the Management of the Company.

It is the responsibility of the Shareholders to approve the appointment of Directors and to grant other approvals that are required by law or the Articles of Association of the Company at General Meetings.

The Shareholders through their representatives on the Statutory Audit Committee in line with section 404 of CAMA and the SEC Code of Corporate Governance also assume responsibility for the integrity of the Company's audited accounts.

SEC CODE OF CORPORATE GOVERNANCE FOR PUBLIC COMPANIES AND THE NIGERIAN CODE OF CORPORATE

The Company has complied with the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria. The Company is aspirationally complying with the provisions of Nigerian Code of Corporate Governance 2018.

SHAREHOLDERS' INFORMATION

Substantial Shareholdings

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

Shareholder	Number of shares	%
UAC of Nigeria Plc	2,198,745,772	73.2

Free Float %: 26.71

ANALYSIS OF SHAREHOLDING

Range of Holdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholders
1 – 1,000	4,377	22.12	2,173,329	0.07
1,001 – 10,000	8,672	43.83	44,120,745	1.47
10,001 – 50,000	4,762	24.07	114,965,712	3.83
50,001 – 100,000	980	4.95	76,307,948	2.54
100,001 – 500,000	748	3.78	163,414,507	5.45
500,001 – 1,000, 000	120	0.61	89,627,238	2.99
1,000,001 – 5,000,000	116	0.59	235,707,179	7.86
5,000,001 – 10,000,000	8	0.04	52,985,340	1.77
10,000,001 – 2,999,999,418	3	0.02	2,220,697,420	74.02
Total	19,786	100.00	2,999,999,418	100.00



REPORT OF THE DIRECTORS (CONT'D)

SHARE CAPITAL HISTORY

The nominal value of the issued and paid up share capital of the Company as at 31 December 2021 was N1,499,999,709. The share capital had been progressively increased over the years as follows:

Date Issued	Issued (I)	Cumulative Issued(Units)	Issued N	Cumulative Issued N	Consideration
March,1963	100,000	100,000	200,000	200,000	Cash
April 8, 1971	112,500	212,500	225,000	425,000	Cash
March 14,1977	521,000	733,500	1,042,000	1,467,000	Cash
April 7,1977	2,934,000	2,934,000	1,467,000	1,467,000	Stock split from N2 to 50k
April 7, 1978	2,934,568	5,868,568	1,467,284	2,934,284	1 for 1
July 23,1980	2,935,718	8,804,286	1,467,859	4,401,143	1 for 2
April 2,1982	2,200,926	11,005,211	1,100,463	5,502,606	1 for 4
March 31,1983	2,751,158	13,756,370	1,375,579	6,878,185	1 for 4
August 14,1985	3,438,947	17,195,317	1,719,474	8,597,659	1 for 4
April 13,1987	3,438,947	20,634,264	1,719,474	10,317,132	1 for 5
1996	4,126,154	24,760,418	2,063,077	12,380,209	1 for 5
Sep-06	544,720,000	569,480,418	272,360,000	284,740,209	Right issue
March 26,2007	630,519,000	1,999,999,418	315,259,500	599,999,709	Private placement
Feb 2013	800,000,000	1,999,999,418	400,000,000	999,999,709	Private placement
July 13, 2017	1,000,000,000	2,999,999,418	500,000,000	1,499,999,709	Right issue

ACQUISITION OF OWN SHARES

The Company did not purchase its own shares during the year under review.

DONATIONS

The Company did not make any major donation during the year.

COMPANY'S CUSTOMERS

The names of the Company's major customers are as follows:-

- | | |
|---|--|
| * Stet Nig Enterprises, Aba. | * Dems Ebiri Nig. Ltd, Warri, Delta State |
| * Ore Ofe Farms Ilora, Oyo state. | * Agudus Feeds Store, Nnobi, Anambra State. |
| * Raburas Global Resources, Kano | * Skyvic Farms Ltd, Dei-Dei, FCT Abuja |
| * Abba Ventures Ltd, Abeokuta | * Multifarms Nig. Enterprises, Badagry, Lagos. |
| * Paspro Farms, Magingi, Bassa, Jos –Plateau. | * Daftos Farms, Ibadan. |



REPORT OF THE DIRECTORS (CONT'D)

- | | |
|-------------------------------------|---|
| * Nwabuking Nig Ent, Port Harcourt. | * B&G Freedom Nig. Enterprises, Ilorin. |
| * HBJ Plus, Lagos. | * Omas Olopade Animal Care, Ijebu Ode, Ogun State |

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

At Livestock Feeds Plc, we understand the essence of contributing to the United Nation's 2030 agenda- United Nations Sustainable Development Goals (SDG) and been a part of the global movement for a sustainable future. As a Company, we carry out our business responsibly and as well as pursue opportunities to solve societal challenges through business innovation and collaboration.

As we implore innovative ways of giving back to the society, we strive to make strides by aligning our Corporate Social Responsibility (CSR) initiatives and prioritizing our CSR focus areas as; education, infrastructure, social welfare, agricultural developmental programs , health sensitization programs for employees, support various institutions through SIWES programs, exceptional approach on Environmental Management System (EMS), safe workplace, and provision of portable drinking water for employee. Our CSR initiatives focuses on reducing inefficiency, supporting customer goals, improving sustainability, and impacting the community where we operate.

In the year under review, Livestock Feeds Plc focused on the provision of a Smallholding Poultry Farm to Sanngo Senior Secondary School, Agege, Lagos State. The aim is to help achieve the Sustainable Development Goals (SDGs) on Agriculture which seeks sustainable solutions to end hunger in all its forms by 2030 and to achieve food security while impacting positively on the lives of the local communities. Also, the CSR initiative has helped the young child to embrace the science of agriculture as well as agricultural entrepreneurship.

In addition to our commitment to saving the lives of children, women, and men through provision of safe drinking water, Livestock Feeds Plc successfully constructed boreholes for over 120,000 residents in Eziamma community in Aba North Local Government Area, Abia state, Nigeria. The initiative was designed at providing clean water for the residents through the implementation of a mechanized borehole while addressing the Sustainable Development Goal (SDG) of access to clean water by 2030.



REPORT OF THE DIRECTORS (CONT'D)

Our General Disclosure

Organisational Profile

The major areas of specialization of Livestock Feeds Plc are Animal Feeds, Aqua- Feeds, Animal health Products and Feed Ingredients.

The Company has a current total number of 84 employees across the two owned Plants- Ikeja and Aba.

Strategy

As a Company, our overall business strategy includes strategic alliances with livestock farmers and other stakeholders within the livestock industry capable of impacting positively on the attainment of organizational financial, social and economic objectives.

Ethics and Integrity

The values and principles of Livestock Feeds Plc is also referred as our business Code of Conduct and they are well communicated to all employees. Our business Code of Conduct is expressed as follows- Customer focus, Respect for the individual, Integrity, Team spirit, Innovation, Openness, and communication.

Governance

Although the Board of Directors is the primary direct stakeholder influencing corporate governance but there exist also, adequate interactions among the shareholders and the management of the Board of the company.

Stakeholder Engagement

In Livestock Feeds Plc, stakeholders are a fundamental component of materiality assessments, which are then used to inform sustainability strategy, reporting, and disclosure. This is achieved through numerous engagements activities with our different stakeholder groups.

Reporting Principle

Our reporting principle of *Comparability, Accuracy, Timeliness and Clarity* give an overview of the process that we have followed to define the content of the sustainability report and to identify our material topics and Boundaries, along with any changes or restatements. Also, these disclosures provide basic information about the report, the claims made about the use of the GRI Standards, the GRI content index, and the organization's approach to seeking external assurance.

Our Economic Disclosure

Detailed information on our economic performance for the reporting year can be found in our Financial Report and Annual Report for the year 2021.



REPORT OF THE DIRECTORS (CONT'D)

At Livestock Feeds Plc, we strongly believe in healthy competition within our industry as this drives excellence in products and services that we offer. We do not engage in any business practices that restricts, silent or kill inter-industry competition or prevent other businesses from entering the market.

Our commitment to fighting corruption is demonstrated through our Whistle Blower Policy, transparent corporate governance systems and Business Code of Conduct Guidelines.

Our Environmental Disclosure

All our raw materials undergo quality checks to ensure they meet specifications before use. Also, we are committed to ensuring that materials are used efficiently so as to develop resource-efficient products and improve our existing portfolio accordingly.

In a bid to reduce our reliance on fossil fuel efforts have been set in motion for the installation of alternative sources of energy (electricity) which is clean and renewable. This would significantly reduce our GHG emissions as we have set a target to achieve 50% reduction in GHG by 2030. Currently generator operations and vehicular activities are responsible for CO₂ and other GHG emissions at Livestock Feeds.

Through the implementation of the Environmental Management System **ISO 14001:2015** we at LSF have been able to ensure that our activities are carried out in an environmentally friendly manner while providing opportunity for continuous improvement with minimal impact on the well being of workers and the environment.

Our Social Disclosure

Livestock Feeds Plc ensures that all employees have the necessary skills and training to undertake the duties assigned to them and are provided the necessary benefits accrued to them. We have adopted a unitary approach in our relationships with our labour force based on the assumption that everyone benefits when the focus is on common interest. Relations are grounded on mutual cooperation, individual treatment of employees, teamwork and shared goals. Also, Occupational Safety and Health is one of the key features of our sustainability and corporate social responsibility strategies as demonstrated through our training programmes. Our well-developed human resource practices and 'Business Code of Conduct Guidelines' is our approach in eliminating discrimination, child and forced labour as well as encouraging freedom of association. We actively engage with our local community through our various initiatives in the nature of volunteerism, investments in community development projects and economic development efforts.

REPORT OF THE DIRECTORS (CONT'D)



Kindly refer to <https://www.livestockfeedsplc.com/governance-and-policies> for a comprehensive overview of our Sustainability Report.

HUMAN RESOURCES REPORT EMPLOYMENT AND EMPLOYEES

Employment of physically challenged persons:

Applications for employment by physically challenged persons are always fully considered. The Company does not discriminate against any person on grounds of physical disability bearing in mind the respective aptitudes and abilities of the applicants concerned. The Company makes it a paramount objective to hire individuals based on standards of merit and competence.

Employee involvement and training

The Company is committed to keeping employees fully informed as much as possible regarding its performance and progress and seeks their views wherever practicable on matters, which particularly affect them as employees. We aspire to be an employer of choice. We recognize that our success is dependent on the caliber and motivation of our people.

Our people are our most important assets, and we continue to make investments in developing their competencies. The Company's expanding skill base was extended through a range of training programmes provided which have broadened opportunities for career development within the organization. Our Employees were exposed to targeted trainings which include but not limited to soft skills trainings such as Emotional Intelligence, Stress Management, Customer Service, Grooming & Etiquette, Use of Digital & Social Media and Problem Solving.

Incentive and recognition schemes designed to improve employee engagement and value index are periodically implemented wherever appropriate and some of these include but are not limited to Performance Incentives and employee of the year award.

Employee welfare

The Company provides free canteen services to employees in its various operations for health and motivation reasons. Our Aba Mill Admin block and facade were renovated and refurbished for a more conducive work environment which impacted positively on employees' productivity. Employees were encouraged to go on annual vacation as at when due to enable them to enjoy work-life balance.

The Company believes this will provide them an opportunity to be refreshed and renewed to perform



REPORT OF THE DIRECTORS (CONT'D)

better on their jobs. It is the Company's policy not to allow accumulation of leave beyond one year and such must be at the instance of the Company under special circumstances. Work is organized to enable our employees to work within official business hours in order to discharge their social life and family obligations. However, we encouraged our employees to work from home during the covid pandemic.

Employee relations

Our employees are fully involved in strategy formulation and execution. This we do to achieve business plan ownership at all levels. Regular meetings are held at different levels of the organization for employees to interact and exchange ideas on critical business issues with one another and different levels of management. One of such is the periodic village meetings of employees, Mill-located weekly meetings, Leadership Team and Departmental weekly meetings. These meetings are regularly complemented by circulars on Company policies and issues of current relevance to the business and employees.

Health, Safety and Environment

We attach utmost significance to the issues relating to the Health, Safety and Environment (HSE) of our people and premises. HSE policies, processes and procedures are in place in the Company in line with laws and regulations in force in Nigeria. HSE is further entrenched the minds of staff through monthly meetings where various aspects on staff wellbeing are discussed such as health talk on HIV/AIDs & Hepatitis awareness, counselling and free voluntary testing (in conjunction with Halley-Bella foundation & Ministry of Health, Fire Safety trainings & evacuation drill (Organized by MAN, Ikeja Branch, Health & Fitness training, Cancer Awareness/Enlightenment, Video-graphics interactions on HSE Awareness in factories, homes and on-the-road, Free Medical Testing/De-worming exercise, Occupational First Aid (Recovery Position) conducted by Institute of Safety Professionals of Nigeria and Importance and usage of PPE in the factory was emphasized at every of the HSE training sessions.

We also maintain an insurance health care scheme with Health Management Organisations (HMOs) licensed by National Health Insurance Scheme (NHIS) to provide health insurance to employees.

The Company focuses on driving a robust commitment-based HSE culture with continuous improvement of HSE processes, operational excellence to achieve our vision of zero accidents/injuries and harm. Livestock Feeds Plc has an Emergency Response and Disaster Recovery Plan which covers fire as well as other natural disasters. Thus, we possess adequate fire protection system and fighting equipment which includes fire extinguishers, smoke detectors, fire hydrant system, break glasses and synchronized fire alarm panels. There is demonstration of full compliance with statutory fire drill exercise.

REPORT OF THE DIRECTORS (CONT'D)

LIVESTOCK FEEDS PLC



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AUDITORS

Messrs. KPMG Professional Services have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 401(2) Companies and Allied Matters Act, 2020. A resolution will be proposed to shareholder authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD

ROSE JOSHUA HAMIS (MRS.)
AG. COMPANY SECRETARY
FRC/2013/ICSAN/00000002356

LAGOS, NIGERIA
25 MARCH 2022



**DCSL Corporate Services Limited**

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By Abia House and
Federal High Court Abuja

RC NO. 352393

May 2022

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LIVESTOCK FEEDS PLC FOR THE FINANCIAL YEAR-ENDED DECEMBER 31, 2021.

In line with the provisions of **Guideline 9 of the Securities and Exchange Commission (SEC) Corporate Governance Guidelines for Public Companies in Nigeria issued in 2020 ("SCGG")** and **Principle 14.1 of the Nigerian Code of Corporate Governance (NCCG)**, DCSL Corporate Services Limited (DCSL) was engaged by Livestock Feeds Plc ("the Company") to carry out an evaluation of the performance of the Board of Directors for the financial year-ended December 31, 2021.

The essence of the review was to ascertain the level of the Board's compliance with corporate governance practices and involved benchmarking of the performance of the Board against the provisions of the SCGG and the NCCG, as well as corporate governance best practices. We considered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Following a detailed review of Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and processes put in place by the Board, we confirm that the Board has substantially complied with the provisions of the SCGG and NCCG and that the activities of the Board significantly align with corporate governance best practices.

The Board demonstrated commitment to the observance of highest ethical standards and transparency in the conduct of the Company's business and remained steadfast in setting the appropriate tone at the top in enshrining corporate governance practices at all levels of the Company.

We have proffered recommendations to address those areas that require improvement and are satisfied that the Board will implement these.

Please accept the assurances of our highest regards and esteem.

Yours faithfully,

For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: • Abel Ajayi (Chairman) • Obi Ogbechi • Seni Ogunsanya • Adebisi Adeyemi (Managing Director)

DCSL
DCSL Corporate Services Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

LIVESTOCK FEEDS PLC



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

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

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

Dr. Joseph I. Dada
Non-Executive Chairman
FRC/2016/APCON/00000014735
25 March 2022

Mr. Adegboyega Adedeji
Managing Director / CEO
FRC/2020/003/00000021439
25 March 2022

STATEMENT OF CORPORATE RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2021

LIVESTOCK FEEDS PLC



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

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2021.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the companies, during the year end 31 December 2021.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) There is no fraud that involves management or other employees who have a significant role in the Company's internal control.

Signed on behalf of the Board of Directors by

Managing Director / CEO
Mr. Adegboyega Adediji
FRC/2020/003/00000021439

Chief Financial Officer
Mr. Adekunle Adepoju
FRC/2013/ICAN/00000004478



REPORT OF THE AUDIT COMMITTEE OF LIVESTOCK FEEDS PLC TO MEMBERS

In compliance with Section 404 (4) of the Companies and Allied Matters Act 2020, Law of the Federation of Nigeria, we have reviewed the Audited Financial Statements of the Company for the year ended 31st December, 2021 and report as follows:

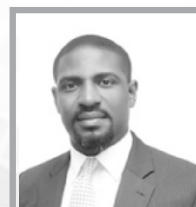
- (a) The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit for the financial year ended 31st December, 2021 were, in our opinion adequate.
- (c) We reviewed the findings and recommendations in the Internal Auditor's Report and the External Auditor's Management Controls Report and we were satisfied with the management responses thereto.
- (d) The Company maintained effective systems of accounting and internal control system during the year in review.

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

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

Dated 25th Day of March, 2022 **Members of the Committee:**

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





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**KPMG Professional Services**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Livestock Feeds Plc

Report on the Audit of the Financial Statements**Opinion**

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

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

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

Basis for Opinion

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

Key Audit Matters

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

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami
Adekunle A. Elebute
Adetola P. Adeyemi
Adevalle K. Ajayi
Ajibola O. Olomola
Akinyemi Ashade
Ayobami L. Salami
Ayodele A. Soyinka

Ayodele H. Othihiwa
Bolante S. Afolabi
Chibuzor N. Anyanachi
Chineme B. Nwigbo
Elijah O. Oladunmoye
Goodluck C. Obi
Ibitomi M. Adepoju
Ijeoma T. Emezue-Ezigo

Joseph O. Tegbe
Kabir O. Okunola
Lawrence C. Amadi
Martins I. Aroge
Mohammed M. Adama
Nneka C. Ekuma
Olabimpe S. Afolabi
Oladimeji I. Salaudeen

Olanike I. James
Olufemi A. Babem
Olumide O. Olayinka
Olusegun A. Sowande
Olutayo I. Ogunlowo
Oluwatemi O. Awotoye
Oluwatoyin A. Gbogi
Oseme J. Obalajo

Tayo I. Ogungbenro
Termitope A. Onitiri
Tolulope A. Odukale
Uzodinma G. Nwankwo
Victor U. Onyenkpa

Inventory valuation	
Refer to significant accounting policies (Note 2.2) and Inventory (Note 16) in the financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of inventories is significant and amounted to NGN8.6billion representing 79% of total assets.</p> <p>The inventories are held at various locations within the Country with certain items held by third parties on behalf of the Company. Furthermore, inventory count is done before year end and a roll-forward performed by management.</p> <p>The significance of the balance, the nature of the item and the complexities around the timing of the count and measurement makes inventories a key audit matter in our audit.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of identified controls established within the inventory management process. • We observed physical inventory count exercise and checked the roll-forward to year end related reconciliations performed by management. • We obtained confirmation of inventory quantities from third parties in respect of items received between the date of the physical count and the year end. • We checked the appropriateness of the Company's inventory valuation method and that the disclosures in the financial statements are in line with applicable standards. • We performed net realizable value tests on the sample of Inventories selected based on statistical sampling method.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Signed:

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





2021 ANNUAL REPORT & FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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



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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Assets**Non-current assets**

Property, plant and equipment

Intangible assets

Right of use assets

Total non-current assets**Current assets**

Inventories

Trade and other receivables

Refund assets

Prepayments

Other financial assets

Cash and cash equivalents

Total current assets**Total assets****Equity**

Issued capital

Share premium

Revenue reserves

Total equity**Non-current liabilities**

Deferred tax liabilities

Total current liabilities**Current liabilities**

Trade and other payables

Refund liabilities

Income tax payable

Dividend payable

Interest-bearing loans and borrowings

Total current liabilities**Total liabilities****Total equity and liabilities**

Notes	2021 N'000	2020 N'000
14	776,428	835,562
15	34,851	-
18(iii)	8,333	-
	819,612	835,562
16	8,581,643	5,096,943
17	982,112	366,323
17	3,327	10,147
18	81,147	50,507
19.2	17,283	20,668
19	342,611	93,991
	10,008,123	5,638,578
	10,827,735	6,474,140
20	1,500,000	1,500,000
20	693,344	693,344
	309,131	(120,566)
	2,502,475	2,072,778
12(iii)	42,004	-
	42,004	-
21	716,517	2,332,999
21.2	3,690	11,194
12(iv)	93,591	43,034
22	17,384	20,768
23	7,452,074	1,993,367
	8,283,256	4,401,362
	8,325,260	4,401,362
	10,827,735	6,474,140

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

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

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

Chief Financial Officer
Mr. Adekunle Adepoju
FRC/2013/ICAN/00000004478

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021



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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021



Operating activities

Profit before tax		565,133	546,071
Depreciation of property, plant and equipment	14	165,552	154,306
Amortisation of intangible assets	15	543	36
Loss/(Gain) on disposal of property, plant and equipment	8	9,814	(3,176)
Expected credit loss	7(iii)	47,858	7,991
Finance cost	10	298,449	140,090
Government grant		-	(66,212)

Changes in working capital:

(Increase) in inventories		(3,484,700)	(2,228,110)
(Increase) in trade and other receivables		(663,647)	(209,031)
(Increase) in prepayments		(32,153)	19,769
(Decrease)/Increase in trade and other payables		(1,623,987)	912,451

Cash outflow from operating activities

Income tax paid

Net cash (used in) operating activities

Investing activities

Proceeds from disposal of PPE		14,723	3,571
Acquisition of Intangibles assets	15(iii)	(35,394)	-
Purchase of property, plant and equipment	14	(130,955)	(131,600)

Net cash flows (used in) investing activities

Financing activities

Interest paid	10	(298,449)	(79,259)
Proceeds from borrowings	23	7,734,103	2,293,368
Repayment of borrowings	23	(2,275,396)	(1,300,000)

Net cash flows from financing activities

Increase in cash and cash equivalents		248,620	53,986
Cash and cash equivalents at 1 January		93,991	40,005

Cash and cash equivalents at 31 December

Notes	2021 N'000	2020 N'000
	565,133	546,071
14	165,552	154,306
15	543	36
8	9,814	(3,176)
7(iii)	47,858	7,991
10	298,449	140,090
	-	(66,212)
	(3,484,700)	(2,228,110)
	(663,647)	(209,031)
	(32,153)	19,769
	(1,623,987)	912,451
	(4,717,137)	(725,816)
12(iv)	(42,875)	(6,277)
	(4,760,012)	(732,093)
	14,723	3,571
15(iii)	(35,394)	-
14	(130,955)	(131,600)
	(151,626)	(128,029)
10	(298,449)	(79,259)
23	7,734,103	2,293,368
23	(2,275,396)	(1,300,000)
	5,160,258	914,109
	248,620	53,986
	93,991	40,005
19	342,611	93,991

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



1. Corporate information

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies

b) Fair value measurement

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

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

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

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

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

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

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

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

c) Revenue from contracts with customers

The Company is into agricultural business for the manufacturing and marketing of animal feeds and concentrates.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

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

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

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

The Company has identified one distinct performance obligations:

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

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

i. Significant financing component

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

ii. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume incentives and trade discounts

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

Rights of return

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

Principal vs Agent consideration

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

PRACTICAL EXPEDIENTS

Revenue Recognition

Practical expedients

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

- LSF opted for the use of one year or less practical expedients for significant financing component.
- LSF applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Other income

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

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

d) Taxes

Current income tax

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

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

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

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

Tertiary Education Tax

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

Minimum tax

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

Deferred tax

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

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

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

Value added tax (VAT)

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

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

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

e) Foreign currencies

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

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

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

f) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. Based on the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. However, where interim dividend is declared by the Board, it is recognised in the liability



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

pending the approval of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date where applicable.

g) **Property, plant and equipment** **Recognition**

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

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

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

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

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

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

Derecognition

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

h) Intangible assets

Computer software

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

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

Amortisation is recognised in the profit/loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition of intangible assets

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

(i) Financial instruments – initial recognition and subsequent measurement

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

i) Financial assets

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

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (c) Revenue from contracts with customers.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

Derecognition

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

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

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

Impairment of financial assets

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

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

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

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

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

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

ii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

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

Loans and borrowings

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

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

Derecognition

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

iii) Offsetting of financial instruments

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

j) Inventories

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

Cost is determined as follows:-

Raw materials and packaging materials

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

Finished goods

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

Spare parts and consumables

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

k) Impairment of non-financial assets

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

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

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

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

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

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

l) Cash and bank balances

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

m) Provisions

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

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The Company's provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

n) Contingent liabilities

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

o) Government grant

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

p) Pension and other post-employment benefits

l) Defined contribution scheme - pension

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

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

The matching contributions made by Livestock Feeds Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

q) Leases

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

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

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

ii) Lease liabilities

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

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

iii) Short-term leases

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

r) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the internal chief operating decision maker. The chief operating-decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Livestock Feeds Plc.

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.2 Summary of significant accounting policies - continued

2.3 New and amended standards and interpretations

Amendments to IFRSs that are mandatorily effective for the current year

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

Amendments to IFRS 3: Definition of a Business

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

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

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

Amendments to IAS 1 and IAS 8 Definition of Material

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

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

Amendment to IFRS 16 Leases provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. A lessee may elect not to assess whether a covid19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

It applies only to rent concessions occurring only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.3 New and amended standards and interpretations - continued

2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).

- There is no substantive change to other terms and conditions of the lease.

New and revised IFRS Standards in issue but not yet effective

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

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
 - A simplified approach (the premium allocation approach) mainly for short-duration contracts
- IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Reference to the Conceptual Framework – Amendments to IFRS 3

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

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

2.3 New and amended standards and interpretations - continued

proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

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

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

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

3. Significant accounting judgements, estimates and assumptions

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

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

- Capital management Note 6
- Financial instruments risk management and policies Note 26



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. Significant accounting judgements, estimates and assumptions - continued

- Sensitivity analyses disclosures

Note 26

Judgements

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

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

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

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

Revenue from contracts with customers

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

Determining the timing of satisfaction of sales of feeds and concentrates

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

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

Estimates and assumptions

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

Impairment of non-financial assets

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

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. Significant accounting judgements, estimates and assumptions - continued

are based on days past due for various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

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

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

Depreciation and carrying value of property, plant and equipment

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

Taxes

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

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

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

Segments	For the year ended 31 December 2021				
	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	TOTAL N'000
Type of goods or service					
Sale of livestock feeds	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Total revenue from contracts with customers	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Geographical markets					
Within Nigeria	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Outside Nigeria	-	-	-	-	-
Total revenue from contracts with customers	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Timing of revenue recognition					
Goods transferred at a point in time	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268
Services transferred over time	-	-	-	-	-
Total revenue from contracts with customers	2,728,705	9,013,682	1,117,561	1,780,320	14,640,268



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

4.1 Disaggregated revenue information - Continued

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

Performance obligations

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

Sale of Animal feeds

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

Contract balances

Trade receivables 17

2021 N'000	2020 N'000
181,680	123,727

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

5. Segment information

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Segment information - Continued

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

Revenue

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

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

The Company has four reportable segments based on location of the principal operations as follows:

Aba
Ikeja
Onitsha Operations
Northern Operations

Segmental revenue and operating profit-31 December 2021

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Segment information - continued

Head Office

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

Segment assets and liabilities- 31 December 2021

Non-current assets

	Head office N'000	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	Total N'000
Property, plant and equipment	333,782	236,879	200,401	978	4,389	776,428
Intangible assets	34,851	-	-	-	-	34,851
Prepayment (Due after one year)	8,333	-	-	-	-	8,333

Current assets

	N'000	N'000	N'000	N'000	N'000	N'000
Inventory	5,819,766	919,556	1,566,475	44,784	231,062	8,581,643
Trade and other receivables	913,950	12,543	18,912	17,694	19,013	982,112
Refund assets	3,327	-	-	-	-	3,327
Prepayments	36,509	0	25,193	-	19,444	81,147
Other financial asset	17,283	-	-	-	-	17,283
Cash and cash equivalents	340,258	1,614	730	2	6	342,611
	7,131,094	933,713	1,611,310	62,480	269,525	10,008,123

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

Current liabilities

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Segment information - continued

Segmental revenue and operating profit -31 December 2020

	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	Total N'000
From external customers	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Segment revenue	1,994,458	5,775,657	1,149,265	2,259,948	11,179,328
Cost of sales	(1,718,001)	(5,174,141)	(1,035,409)	(1,966,159)	(9,893,710)
Gross profit	276,457	601,516	113,856	293,789	1,285,618
Selling and distribution expense	(18,491)	(190,073)	(22,288)	(53,122)	(283,974)
Trading profit	257,966	411,443	91,568	240,667	1,001,644
Other income	22,199	56,087	-	-	78,286
Operating profit	280,165	467,530	91,568	240,667	1,079,930
Finance expense	(45,251)	(94,838)	-	-	(140,089)
Contribution to margin	234,914	372,692	91,568	240,667	939,841

Head Office

Dividend Income	286
Interest income	302
Laboratory income	874
Gain on disposal of assets	3,176
Miscellaneous income	967
ITF refund	1,309
Insurance Claim	-
Sale of scraps	843
Expected Credit Loss	(7,991)
Administrative cost	(360,785)
Marketing Cost	(32,749)
Profit before tax	546,071

Segment assets and liabilities- 31 December 2020

Non-current assets

	Head office N'000	Aba N'000	Ikeja N'000	Onitsha Operations N'000	Northern Operations N'000	Total N'000
Property, plant and equipment	338,083	256,220	202,881	30,413	7,964	835,562
Intangible assets	-	-	-	-	-	-
Prepayment (Due after one year)	-	-	-	-	-	-

Current assets

	N'000	N'000	N'000	N'000	N'000	N'000
Inventory	2,596,117	893,110	1,127,308	70,823	409,584	5,096,943
Trade and other receivables	314,061	9,145	19,026	12,739	100	355,071
Refund assets	10,147	-	-	-	-	10,147
Prepayments	25,170	388	36,018	82	102	61,759
Other financial asset	20,668	-	-	-	-	20,668
Cash and cash equivalents	91,689	2,196	81	4	21	93,991
	3,057,852	904,839	1,182,433	83,648	409,807	5,638,579



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Segment information - continued

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

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

6. Capital management

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

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

		2021 N'000	2020 N'000
Trade and other payables	21	716,517	2,332,999
Interest-bearing loans and borrowing	23	7,452,074	1,993,367
Cash and short term deposit (Note19)		(342,611)	(93,991)
Net debt		7,825,980	4,232,375
Total capital: Equity		2,502,475	2,072,778
Capital and net debt		10,328,455	6,305,153
Gearing ratio		76%	67%

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. Expense by Nature

7(i). Cost of sales

Change in inventories of finished goods and work in progress

Salaries and other staff benefit*

Business travelling & entertainment expenses

Business Entertainment Expenses

Electricity and power

Depreciation of property, plant & equipment (Note 14)

Amortisation of intangible assets (Note 15)

Rent**

Security expenses

Local repair and renewal

Laboratory expenses

Vehicle repairs expenses

Sundry vehicle expenses

Cleaning & Sanitation

Office Stationery & Printing

Rates

Subscription

Internet Charges/IT licencing renewal

Other expenses ***

Total cost of sales

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

*** Other expenses includes research and development, uniforms, telephone expenses, postal services and computer charges which were incurred by the Company during the year.

*Salaries & Other benefits includes Employer Pension for the year (N7,442,235), (2020: N6,193,064)

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

7(ii). Selling and distribution

Salaries and other staff benefit*

Business travelling expenses

Distribution expenses

Corporate gifts/marketing investment

Depreciation of property, plant & equipment (Note 14)

Electricity and Power

Office Stationery and Printing

Local repair and renewal

Advertisement and Publicity

Vehicle repairs, maintenance & fueling

Internet Charges/IT licencing renewal

Other expenses ***

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

7(iii). Administrative expenses

Salaries and other staff benefit*
Consultancy
Auditor's fee
Subscription
Corporate Public Relations
AGM expenses
Internet/e-mail charges
Depreciation of property, plant & equipment (Note 14)
Amortisation of intangible assets (Note 15)
Insurance
Management service fees (Note 28)
Bank charges
Business travelling & entertainment
Electricity & Power
Cleaning & Sanitation
Security expenses
Office stationery & printing
Local repairs & renewal
Rent**
Legal expenses
Advertisement & Publicity
Vehicles repairs, maintenance & fueling
Other expenses ***

Note	N'000 2021	N'000 2020
	166,864	119,543
	22,271	24,931
	10,863	9,500
	7,176	4,613
27(ii)a	24,201	16,262
	5,968	5,475
	56,010	16,349
	6,674	9,126
	-	36
	18,963	16,335
	144,859	111,539
	12,635	8,861
	7,097	5,686
	3,918	3,021
	376	143
	710	708
	759	1,042
	1,399	778
	464	464
	490	620
	919	691
	1,467	1,771
	7,592	3,291
	501,675	360,785

*** Other expenses that are related to administrative expenses but not stated above such as Miscellaneous/sundry expenses, subscription, computer charges etc which were incurred during the year. Miscellaneous expenses includes the sum of N7.1 m paid to Securities & Exchange Commission (SEC) as penalty for diversion of shares issues proceeds for development of Sagamu site as working capital in violation of Rule 305(6).

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

8. Other operating income

Sales of sacks
Laboratory income *
Weighing income**
Sales of scrap
(Loss)/Gain on disposal of property, plant and equipment
(Loss) on Realized foreign currency revaluation
Registration fees
Dividend Income
ITF refund
Insurance claim
Government grant*** (Note 23.1)
Total other operating income

2021 N'000	2020 N'000
17,352	11,216
920	890
822	678
1,638	868
(9,817)	3,176
(493)	-
1,190	1,106
306	286
1,996	1,309
2,125	-
-	66,212
16,039	85,740



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

9. Investment income

Interest income on short-term bank deposits

Interest Income - Unclaimed Dividend

2021 N'000	2020 N'000
534	-
149	302
683	302

10. Finance cost

Interest on loans

Government grants

(298,449)	(73,878)
-	(66,212)
(298,449)	(140,090)

11. Profit before taxation

Profit before taxation is stated after charging:

Amortisation of intangible assets (Note 15)

Depreciation (Note 14)

Auditors remuneration (Note 7(iii))

Staff cost

543	36
165,552	154,306
10,863	9,500
571,285	454,772



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation

(i) Income tax expense

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

Current tax expense:

Education tax charge

Police trust fund levy

Deferred tax:

Relating to origination and reversal of temporary differences

Charge for the year

Income tax charge

(ii) Reconciliation of the effective tax rate

Profit before income tax

Income tax using statutory tax rate

Education tax at 2.5% of assessable profit

Investment allowance

Effect of income that is exempt from taxation

Non deductible expenses

Impact of tax credit/losses not recognised

Others

Income tax recognised in profit or loss

Effective income tax rate

(iii) Movement in deferred tax balance

	2021 N'000	2020 N'000
Education tax charge	20,203	14,936
Police trust fund levy	28	-
	20,231	14,936
Deferred tax charge	42,004	-
	62,235	14,936
	2021 N'000	2020 N'000
Profit before income tax	565,133	546,071
Income tax using statutory tax rate	169,540	163,821
Education tax at 2.5% of assessable profit	14,128	14,936
Investment allowance	427	-
Effect of income that is exempt from taxation	-	3,764
Non deductible expenses	(1,262)	-
Impact of tax credit/losses not recognised	(123,683)	(167,585)
Others	3,085	-
	62,235	14,936
	11%	3%

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Deferred tax reflected in the statement of financial position as follows:

Deferred tax assets
Deferred tax liabilities
Deferred tax liabilities/(assets)

2021 N'000	2020 N'000
-	-
42,004	-
42,004	-
2021 N'000	2020 N'000
43,034	6,427
20,231	14,936
73,201	27,948
(41,160)	(6,277)
(1,715)	-
93,591	43,034

(iv) Movement in current tax liabilities

As of 1 January
Income tax expense for the year
Minimum tax
Payment during the year
WHT credit notes utilized during the year

As at 31 December

(iv) Minimum tax

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

13. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

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

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

Earnings attributable to ordinary equity holders for basic earnings

Average number of ordinary shares for basic EPS

Basic earnings per share (Kobo)

Diluted earnings per share (Kobo)

2021 N'000	2020 N'000
429,697	503,187
Thousands 2,999,999	Thousands 2,999,999
14.32	16.77
14.32	16.77

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

14a. Property, plant and equipment

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

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

14b. Analysis of Capital WIP into asset classes:

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. Intangible assets

(i) Computer software with definite useful life

Cost:

At 1 January

Additions**

At 31 December

Amortisation

At 1 January

Amortisation

At 31 December

Carrying value

2021 N'000	2020 N'000
13,069	13,069
1,955	-
15,024	13,069
13,069	13,033
543	36
13,612	13,069
1,412	-

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

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

(ii) Capital work in progress-intangibles

Cost:

At 1 January

Additions

At 31 December

Amortisation

At 1 January

Amortisation

At 31 December

Carrying value

2021 N'000	2020 N'000
-	-
33,439	-
33,439	-
-	-
-	-
-	-
33,439	-

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

(iii) Reconciliation of additions to Intangible assets in the Statement of Cashflows

Additions to Computer Software

Additions to Software under development

Additions per Statement of Cashflows

2021 N'000	2020 N'000
1,955	-
33,439	-
35,394	-
2021 N'000	2020 N'000
7,373,621	4,519,420
225,486	120,620
495,425	397,460
57,341	48,301
6,688	3,955
422,349	6,719
733	468
8,581,643	5,096,943

16. Inventories

Raw materials

Finished goods

Vet Drugs

Engineering spares

Diesel

Inventory with third party for conversion **

Other consumables



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

During 2021, there was no write off of Inventories by the Company (2020: Nil), In addition, the Company recognised N12,309,858,019 (2020: N9,288,495,675 as an expense for inventories carried at net realisable value). These are recognised in the cost of sales.

** Inventory with third party for conversion represents the value of the Company's inventory item of raw soya seed with Slabmark Nigeria Ltd for conversion of raw soya seeds to Soya bean meal and other raw materials (Maize, Soya Beans etc) at Northern Rice Oil Mills Ltd Warehouse in Kano for the Production of Animal Feeds.

17. Trade and other receivables

Receivables from third-party customers
Advance payments to suppliers*
Allowance for expected credit losses

Related Parties(Note 24)
Other receivables

Refund asset

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

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

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

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

As at 1 January

Addition to expected credit losses

At 31 December

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

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

Financial asset measured at amortised cost

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

Financial assets measured at amortised cost

Internal grading system

Standard grade

	2021	2020
Stage 1 Individual N'000	Simplified Model Collective N'000	Total N'000
-	181,680	123,727
-	181,680	123,727



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial assets measured at amortised cost

ECL allowance as at 1 January 2021

New assets originated or purchased

Stage 1 Individual N'000	Simplified Model Collective N'000	Total N'000
-	(91,823)	(83,832)
-	(47,858)	(7,991)
-	(139,681)	(91,823)

Refund assets

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

(In thousands of naira)

As at 1 January

Amount deferred as a result of unexpired rights

Cost of sales recognized in the period from:

Expired right not exercised

As at 31 December

2021	2020
10,147	7,361
3,327	10,147
(10,147)	(7,361)
3,327	10,147

18(i). Prepayments

Due within one year

Others**

Short-term lease prepayments Note 18.1

Insurance

2021 N'000	2020 N'000
21,169	12,769
36,754	18,975
23,224	18,763
81,147	50,507

Reconciliation of Prepayment

As at 1 January

Additions

Amortization

As at 31 December

50,507	84,314
228,383	105,612
(197,743)	(139,419)
81,147	50,507

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

The following are the amounts recognised in profit or loss:

Expense relating to short-term leases (included in Cost of sales and administrative expenses)

2021 N'000
50,774
50,774



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

18(ii) Short-term lease prepayments

These were lease payment for Warehouse made during the year for a lease period of one year i.e expired on 30 June 2022. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company applies the short-term lease recognition exemption for these leases. Short-term lease prepayment consist of unamortised portion of short-term leases. Short-term leases are leases that, at the commencement date, have a lease term of 12 months. The lease payment is expensed over the lease term on a straight-line basis. It represents payment made in advance for rent, insurance, car grant etc. on assets.

18(iii) ROU Assets

Rent

8,333	-
8,333	-

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

19. Cash and short term deposit

Cash on hand
Cash at banks

2021 N'000	2020 N'000
41	70
186,450	93,921
186,491	93,991

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

19.1. Call deposit

Short term deposit with First Bank of Nigeria Ltd

156,120	-
156,120	-

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

19.2. Other financial asset(Unclaimed dividend funds)

Short term deposit*

17,283	20,668
17,283	20,668

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

19.3. Interest Income earned on Unclaimed dividend funds till date

Interest earned

4,195	4,046
4,195	4,046



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Cash on hand, cash at bank and short term deposit

2021 N'000	2020 N'000
342,608	93,991

20. Issued capital and reserves

Authorised shares

4,000,000,000 ordinary shares of 50Kobo each

Ordinary shares issued and fully paid

2,999,999,418 ordinary shares of 50kobo each

Share premium

At 1 January

At 31 December

N'000	N'000
2,000,000	2,000,000
1,500,000	1,500,000
693,344	693,344
693,344	693,344
373,581	1,607,808
26,191	503,007
316,745	222,184
716,517	2,333,000
3,690	11,194
720,207	2,344,194

21. Trade and other payables

Trade payables

Related parties (Note 24)

Other payables (Note 21.1)

Refund liabilities (Note 21.2)

Terms and conditions of the above financial liabilities:

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

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

21.1 Other payables

VAT payable

Accrued liabilities

WHT payable

PAYE

ITF

Pension

21.2 Refund liabilities

Refund liabilities

2021 N'000	2020 N'000
290	190
297,949	206,871
9,447	10,793
4,076	338
4,991	3,992
(8)	-
316,745	222,184
3,690	11,194
320,435	233,378



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Refund liabilities

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

(In thousands of naira)

As at 1 January

Amount deferred as a result of unexpired rights

Revenue recognized in the period from:

Expired right not exercised

As at 31 December

2021	2020
(11,194)	(7,991)
(3,690)	(11,194)
11,194	7,991
(3,690)	(11,194)

Net refund liabilities consist of the following at December 31:

(In thousands of naira)

Refund assets

Refund liabilities

Net refund liabilities

2021	2020	Change	Change
3,327	10,147	(6,820)	-67%
(3,690)	(11,194)	7,504	-67%
(363)	(1,047)	684	-65%

22. Dividend payable

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

As at 1 January

Dividend paid

As at 31 December

2021 N'000	2020 N'000
(20,768)	(20,768)
3,384	-
(17,384)	(20,768)

23. Interest-bearing loans and borrowings

Borrowings -Current

Commercial Loan-FBN

Commercial Loan-ZBN

2021 N'000	2020 N'000
5,652,074	1,993,367
1,800,000	-
7,452,074	1,993,367

Reconciliation of interest-bearing loans and borrowings

As at 1 January

Additions

Initial fair value of grant

Interest charged

Repayments

As at 31 December

1,993,367	955,273
7,734,103	2,293,367
-	(16,104)
298,449	140,090
(2,573,845)	(1,379,259)
7,452,074	1,993,367



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Maturity

0 - 1 year

Over 1 year

Total

2021 N'000	2020 N'000
7,452,074	1,993,367
-	-
7,452,074	1,993,367

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

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

24. Related party disclosures

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Terms and Conditions of transactions with related parties

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

25. Commitments and contingencies

Commitments

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

Legal claim contingency

There is no contingent liability arising as a result of legal litigation as at year end.

26. Financial assets and financial liabilities

26.1 Financial assets

Cash and short term deposit (note 19)

Trade and other receivables (Note 17)

2021 N'000	2020 N'000
342,608	93,991
982,112	366,323

26.2 Financial liabilities

Financial liabilities at amortised cost

Borrowing (Note 23)

Trade and other payables (Note 21)

Trade and other payables here exclude VAT and withholding tax payable

2021 N'000	2020 N'000
(7,452,074)	(1,993,367)
(706,780)	(2,322,017)

26.3 Fair values

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

26.4 Financial instruments risk management objectives and policies

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Market risk

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

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

Liquidity risk

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Year ended 31 December 2021

Trade and other payables
Interest-bearing loans and borrowings

Year ended 31 December 2020

Trade and other payables
Interest-bearing loans and borrowings

On demand N'000	Less than 3months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total days N'000
-	669,794	27,927		-	697,721
	5,459,970	1,992,104			7,452,074
-	6,129,764	2,020,031	-	-	8,149,795
On demand N'000	3months 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total days N'000
-	2,317,686	-	-	-	2,317,686
	1,993,367				1,993,367
-	4,311,053	-	-	-	4,311,053

Foreign currency risk

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

Cash and short term deposits

Euro
United State Dollar (USD)
Pound sterling

	2021		2020
€	379	€	379
\$	17,936	\$	15,826
£	450	£	450

Foreign Currency Sensitivity

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

26.4 Financial instruments risk management objectives and policies - continued

Credit risk

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

(i) Risk management

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

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

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

(ii) Security

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

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

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

(iii) Impairment of trade receivables

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

Impairment allowance for financial assets

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

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

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

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

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

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

	Days past due					Total N'000
	Current N'000	<90 days N'000	90–180 days N'000	180–360 days N'000	>360 days N'000	
31-Dec-21						
Expected credit loss rate	28.04%	54.18%	66.67%	75.77%	100.00%	
Estimated total gross carrying amount	32,228	15,315	4,656	42,247	87,235	181,680
Expected credit loss	(9,036)	(8,297)	(3,104)	(32,009)	(87,235)	(139,681)
31-Dec-20						
Expected credit loss rate	0.16%	0.16%	27.42%	100.00%	100.00%	
Estimated total gross carrying amount	11,519	12,679	10,669	19,199	69,661	123,727
Expected credit loss	(18)	(20)	(2,924)	(19,199)	(69,661)	(91,823)

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

In thousands of Naira

Balance as at 1 January 2021

Additional expected credit losses

Balance at 31 December

2021 N'000	2020 N'000
(91,823)	(83,832)
(47,858)	(7,991)
(139,681)	(91,823)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

27.(i) Staff numbers and costs

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

Staff Numbers by function

Direct
Admin
Sales & Marketing

2021 Number	2020 Number
50	49
13	13
21	19
84	81

N500,001-N600,000
N600,001-N700,000
N700,001-N800,000
N800,001-N1,000,000
N1,000,001-N1,200,000
N1,200,001-N1,300,000
N1,300,001- N1,500,000
Above N1,500,000

-	2
2	1
1	2
7	5
5	5
-	1
1	23
68	42
84	81

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

Salaries and wages
Pension cost

2021 N'000	2020 N'000
553,548	444,632
17,737	10,140
571,285	454,772

(ii) Emoluments of Non-Executive Directors

(a) Fees
Passage Allowance
Other Emoluments

2021 N'000	2020 N'000
1,050	420
13,000	6,585
10,131	9,506
24,181	16,511
3,970	1,907

(b) The Chairman's Emoluments

(iii) Key management compensation

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

Key management compensation includes:
Short-term employee benefits:
Wages and salaries-Managing Director
Wages and salaries-Executive Committee Members

2021 N'000	2020 N'000
26,147	19,167
44,906	33,843
71,053	53,010



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

28. Technical support agreements

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

29. Events after the reporting period

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

30. Securities trading policy

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

31. Provision of Audit and non-audit Services

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2021

32. Livestock Feeds Plc-Free Float Computation

Company Name:

Board Listed:

Period End:

Reporting Period:

Share Price at end of reporting period:

Livestock Feeds Plc

Main Board

December 31

31 December 2021

N2.22(2020: N0.74)

Shareholding Structure/Free Float
Description

Issued Share Capital

Substantial Shareholdings(5% and above)

UAC of Nigeria Plc

Total Substantial Shareholdings

Directors' Shareholdings(direct and indirect)

Dr. Joseph Dada

Mr. Adebolanle Badejo

Mr. Adegboyega Adedeji

Mrs. Bolarin Okunowo

Mr. Daniel Obaseki

Mr Abayomi Adeyemi

Other Influential Shareholdings

Total Other Influential Shareholdings

Free Float in Units and Percentage

Free Float in Value

31-Dec-21		31-Dec-20	
Units	Percentage	Unit	Percentage
2,999,999,418	100%	2,999,999,418	100%
2,198,745,772	73.29%	2,198,745,772	73.29%
2,198,745,772	73.29%	2,198,745,772	73.29%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
801,253,646	26.71%	801,253,646	26.71%
N1,722,695,338.90		N1,113,742,567.94	

Declaration:

(A) Livestock Feeds Plc with a free float percentage of 26.71% as at 31 December 2021, is compliant with the Exchange's

Free float requirement for companies listed on the Main Board.

STATEMENT OF VALUE ADDED AS AT 31 DECEMBER 2021



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

FIVE YEAR FINANCIAL SUMMARY AS AT 31 DECEMBER 2021



Assets

Non-current assets

Current assets

Total assets

Equity

Issued capital

Share premium

Revenue reserve

Total equity

Liabilities

Non-current liabilities

Current liabilities

Total liabilities

Total equity and liabilities

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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



...quality feeds nationwide

**PRODUCE
PREMIUM
QUALITY
FEEDS AT
CHEAPER
COST
FROM OUR
CONCENTRATES**

LIVESTOCK FEEDS PLC



...quality feeds nationwide

FEED CONCENTRATES



**FEED
CONCENTRATES?
NO ONE DOES IT
BETTER!**



FEATURES & BENEFITS

- **For:**
 - Healthy birds
 - Improved liveability
 - Envable egg production
- Increased productivity.
- Optimum growth & development.
- Quality egg size, shell & shelf life.

MIXING RATIO

	CONC(Kg)	MAIZE(kg)	WHEAT OFFAL(kg)
30% Layer Concentrate	300	450	250
40% Layer Concentrate	400	600	-
60% Layer Concentrate	600	400	-
30% Grower Concentrate	300	350	350
40% Chick Concentrate	400	400	200
40% Broiler F. Concentrate	400	500	100
30% Broiler S. Concentrate	300	620	80

USE LIVESTOCK FEEDS RANGE OF CONCENTRATES

LAGOS

08077281574
08077281527

ABA

08077257574
08077281492

ONITSHA

08077281485
08077257575

JOS

08077281472
08077281465

e-mail: info@livestockfeedsplc.com **website:** www.livestockfeedsplc.com



COMPANY ACTIVITIES



Spot clinic in Umunede



**Commissioning of Small Poultry Farm Holding
@ Sanngo Senior Secondary School, Agege, Lagos**



**World Egg day celebration with Sanngo
Senior secondary school, Agege, Lagos**



**Enquiry desk at
Nigeria Poultry Show, Abeokuta**



**Factory Visit - College of
Fisheries, Lagos State.**



Affix
Current
Passport

Write your name at the back of
your passport photograph

CARDINALSTONE
REGISTRARS

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Cardinal Stone Registrars, Limited
358, Herbert Macaulay Way, Yaba,
P.O. Box 9117, Marina, Lagos
Nigeria.

We hereby request that henceforth, all my/our Dividend Payment(s) due to melus from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name First Name Other Names

Address :

City

State

Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1

Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT NO.
	ACORN PET. PLC	
	AFRIK PHARMACEUTICALS PLC	
	AG HOMES SAVINGS & LOANS	
	AG LEVENTIS	
	ARBICO PLC	
	ASHAKACEM PLC	
	BANKERS WAREHOUSE	
	BETA GLASS	
	CAPITAL HOTEL PLC	
	ELLAH LAKES	
	EVANS MED PLC	
	FCMB BOND	
	FCMB GROUP PLC	
	FIDSON BOND	
	G. CAPPALC	
	GUINEA PLC	
	IMB ENERGY MASTER FUND	
	JOS INT. BREWERIES PLC	
	KOGI SAVINGS & LOAN LTD	
	LAFARGE AFRICA PLC	
	LAFARGE BOND	
	LAW UNION & ROCK PLC	
	LEGACY FUND	
	LIVESTOCK FEEDS PLC	
	MORISON PLC	
	MRS OIL PLC	
	NAHCO BOND	
	NAHCO PLC	
	NEWPAK PLC	
	N.G.C PLC	
	NGC STERILE	
	NPF MICROFINANCE BANK	
	NULEC INDUSTRIES PLC	
	OKOMU OIL PALM PLC	
	PREMIER PAINT PLC	
	REAN PLC	
	SKYE BANK PLC	
	TOTAL NIG. PLC	
	TRANEX PLC	
	WOMEN INVESTMENT FUND	

Help Desk Telephone No/Contact Centre Information for
Issue resolution or clarification: 01-7120090



UNCLAIMED DIVIDENDS

Currently, our unclaimed dividend account indicate that some dividend warrants have been returned to the Registrars as unclaimed either because the addresses could not be traced or because the affected shareholders no longer live at the addresses.

Affected shareholders are pleased requested to contact the Registrars to update their records and furnish their bank and stockbroker details for e-mandate.

The Registrar Cardinal Stone (Registrars) Limited, 335/337, Herbert Macaulay Way, Yaba, Lagos. Telephone: 01-7120090, Email: registrars@cardinalstones.com

The dividends are set out below:

DIVIDEND NO.	AMOUNT UNCLAIMED (₦)	AMOUNT RETURNED TO COY (₦)	AMOUNT IN CUSTODY (₦)
40	18,978,933.38	20,667,755.68	1,695,545.70



FULL DEMATERIALIZATION FORM FOR MIGRATION

To: The Registrar _____

Name of Company: _____

Instruction: Please fill out the form in CAPITAL LETTERS

Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in the company stated below. I recognize this will validate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: _____

(Surname) First Name, Middle Name

Address: _____

GSM Numbers: _____ Registrar's Id No (RIN): _____

CSCS Investor's Acct Number: _____ Clearing House Number(CHN): _____

Bank Name: _____ Bank Account Name: _____

BVN: _____ Preferred Bank Account No (NUBAN) for Direct Settlement: _____

Email Address: _____

Name Of Stockbroking firm of choice: _____ Stockbroker's Code (optional) _____

Affix
Passport
Photograph

Thumb Print

Authorized signature and stamp of stockbroker _____

Shareholder's signature _____

2nd signature (if applicable) _____**CERTIFICATE DETAILS**

S/N	CERTIFICATE NO. (IF ANY)	UNITS

S/N	CERTIFICATE NO. (IF ANY)	UNITS

Company
Seal**SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)**

I hereby request the Registrar to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and the Registrars against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or the Registrars by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to the Registrars or their successors or assigns without cost, fee or reward.

S/N	CERTIFICATE NO. (IF ANY)	UNITS

Dated this ____ Day of ____ 20 ____

Name: _____

Signature: _____

Joint (ii) (if applicable): _____

Joint (iii) (if applicable): _____

Company
Seal

In the Presence of:

Name: _____ GSM NO: _____ Signature: _____

Address: _____

This is to be executed by the shareholder's stockbroker, banker or insurance company.

On behalf of _____, we hereby agree jointly and severally to keep the company and /or the Registrar or other persons acting on their behalf fully indemnified against all actions, proceedings, Liabilities, claims, losses, damages, costs and expenses in relation to or arising out of your accepting to re issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising from the reform.

Authorised Signatory (1): _____ Authorised Signatory (2): _____

Company
Seal



PROXY FORM

**Annual General Meeting of Livestock Feeds Plc to be held on Thursday 21st July 2022 at
1, Henry Carr Street Ikeja Lagos at 10.00am.**

Livestock Feeds Plc – (RC.3315)

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS
TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY
21ST JULY 2022

I/We.....

.....

.....

(Name of Shareholder(s) in block letters)

Being a member/members of LIVESTOCK FEEDS PLC,
hereby appoint Dr Joseph Dada, or failing him,
Mr. Adegboyega Adedeji or failing him, Aare Kamorudeen Ajao
Danjuma or failing him Mr Olufemi F. Oduyemi as my/our
proxy to vote for me/us and on my/our behalf at the Annual
General Meeting of the Company to be held on Thursday
July 21, 2022 at 10am and at any adjournment thereof.
Unless otherwise instructed, the Proxy will vote or abstain
from voting as he/she thinks fit.

Dated this day of 2022

Shareholder's signature:.....

NOTE

Please sign this form and deliver or post it to reach the
Registrar, Cardinal Stone (Registrars) Limited at 335/337,
Herbert Macaulay Way, Yaba, Lagos or via email at
registrars@cardinalstone.com not later than 48 hours
before the meeting and ensure that the proxy form is filled,
dated and signed.

Provision has been made on this form for Dr Joseph Dada or
Mr Adegboyega Adedeji or Aare Kamorudeen Ajao
Danjuma or Mr Olufemi F. Oduyemi to act as your proxy,
who will attend the meeting and vote on your behalf.

If the Shareholder is a Corporation, this form must be under
its common seal or under the hand of a duly authorised
officer or attorney.

In the case of Joint Shareholders, any of them may
complete the form, but the names of all Joint Shareholders
must be stated.

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2021 and the Report of Directors, Auditors and Audit Committee thereon.			
2(a)	To re-elect the following Directors retiring by rotation:			
	1. Mr. Daniel Obaseki			
	2. Mr. Adebolanle Badejo			
2(b)	To elect Mr. Peter B. Mombaur as a Director of the Company			
3.	To authorize the Directors to fix the remuneration of the Auditors			
4.	To elect members of the Audit Committee			
SPECIAL BUSINESS				
5.	To fix the remuneration of the Directors			
6.	To renew the general mandate given to the Company to enter into recurrent transactions with related parties.			
7	To approve Reduction in Share Capital and amendment of MEMART.			
Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.				

Before posting the above form, please tear off this part and retain for admission at the meeting.

ADMISSION CARD
LIVESTOCK FEEDS PLC (RC 3315)
ANNUAL GENERAL MEETING

Please admit the Shareholder named on this Admission
Form or his or her duly appointed proxy to the Annual
General Meeting of the Company to be held on Thursday July 21, 2022
at 1, Henry Carr Street Ikeja Lagos at 10.00am.

This admission card must be produced by the Shareholder /proxy
in order to gain entrance into the Annual General Meeting

Rose Joshua Hamis (Mrs.)
AG. Company Secretary
1, Henry Carr Street Ikeja Lagos

Name of Shareholder

Address of Shareholder

Name of Proxy

Number of Shares held

Signature of Shareholder



**AFFIX
POSTAGE
STAMP**

LIVESTOCK FEEDS PLC



...quantity feeds nationwide

**THE REGISTRARS
CARDINALSTONE (REGISTRARS) LIMITED,
335/337 HERBERT MACAULAY WAY, YABA, LAGOS.**

LIVESTOCK FEEDS_{PLC}



...quality feeds nationwide



CHICK MASH



FEATURES & BENEFITS

- Positioned as balanced ration for pullets/chicks intended as production stock from age 0 to 8 weeks.
- High in energy for quick chicks' development and growth.
- Fortified with essential feed additives to further strengthen your chicks and prevent them from immuno-suppressions.
- Fine particle size for ease of picking by chicks.

LAGOS

08077281574
08077281527

ABA

08077257574
08077281492

ONITSHA

08077281485
08077257575

JOS

08077281472
08077281465

e-mail: info@livestockfeedsplc.com **website:** www.livestockfeedsplc.com



LIVESTOCK FEEDS PLC



...quality feeds nationwide

a subsidiary of  of nigeria plc