(a subsidiary of uac of nigeria plc)
1. Henry Carr Street,
P.M.B 21097, Ikeja, Lagos State, Nigeria
Telephone: +234-8077281600
E-mail: info@livestockfeedsplc.com
Website:www.livestockfeedsplc.com
Regd. Number - RC. 3315

BRANCHES:

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

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

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

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

AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2024

Content

Corporate Information

Directors:

Mr. Joseph Dada	Nigerian	Chairman
Mr. Adegboyega Adedeji	Nigerian	Managing Director
Mrs Temitope Omodele	Nigerian	Non Executive Director
Mr. Abayomi Adeyemi	Nigerian	Non Executive Director (Independent)
Mr. Adebolanle Badejo	Nigerian	Non Executive Director
Mrs. Uwaegbute Chiamaka	Nigerian	Non Executive Director

Secretary: Mrs. Rose Joshua Hamis

Registered office:
1 Henry Carr Street
P.M.B 21097
Ikeja, Lagos, Nigeria.
Email: Info@livestockfeedsplc.com

Registration number: RC3315

Registrars:
Cardinal Stone Registrars Limited
358, Herbert Macaulay Way
Yaba, Lagos.

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

Independent auditors:
KPMG Professional Services
KPMG Tower, Bishop Aboyale Cole St,
Victoria Island, Lagos
Nigeria.

Tax Identification Number: 00683481-0001

Directors' Report

For the year ended 31 December 2024

The Directors present their annual report on the affairs of Livestock Feeds Plc (**"LSF" or "the Company**) together with the audited financial statements and independent auditor's report for the year ended 31 December 2024.

Legal form

Livestock Feeds Plc was incorporated on 20 March 1963 under the Companies and Allied Matters Act (CAMA), 2020 as a public limited liability Company, and is domiciled in Nigeria.

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

Principal activity

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

Directors

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

Mr. Joseph Dada	Nigerian	Chairman
Mr. Adegboyega Adedeji	Nigerian	Managing Director
Mrs Temitope Omodele	Nigerian	Non Executive Director
Mr. Abayomi Adeyemi	Nigerian	Non Executive Director (Independent)
Mr. Adebolanle Badejo	Nigerian	Non Executive Director
Mrs. Chiamaka Uwaegbute	Nigerian	Non Executive Director

Result for the year

A summary of the Company's results for the year is shown below:

	2024	**2023**
	₦'000	**₦'000**
Revenue	41,669,570	20,409,702
Gross profit	6,426,751	1,271,460
Profit/ (loss) before minimum taxation	2,847,352	(126,758)
Minimum tax expense	**-**	(102,417)
Profit/ (loss) after minimum taxation	**2,847,352**	**(229,175)**
Income tax expense	(912,921)	(843)
Profit/ (loss) for the year	**1,934,431**	**(230,018)**

Dividend

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

Directors' interest in contracts

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

Directors' Report
For the year ended 31 December 2024

Substantial interests in shares

According to the Registrar of members, the following shareholders of the Company held more than 5% of the issued share capital of the Company as at 31 December 2024.

	2024		2023	
Shareholder	**Number of shares**	**above 5%**	**Number of shares**	**above 5%**
UAC of Nigeria Plc	2,198,745,772	73.29	2,198,745,772	73.29

Directors' interest in shares of the Company

None of the directors have interest in the Company's shares as at 31 December 2024 (2023:Nil).

Analysis of shareholding

According to the register of members, the below is the analysis of shareholders of the Company as at 31 December 2024 and 2023.

2024	**Holders**	**Holdings**	**% Holdings**	**Nominal value of shares (₦)**
Other corporate entities	680	2,333,413,149	77.78	1,166,706,574
Other Managed funds	26	8,413,341	0.28	4,206,671
Local Government	1	335,050	0.01	167,525
Individuals	20,123	653,768,504	21.79	326,884,252
Foreign shareholders	69	4,069,258	0.14	2,034,629
Insurance Companies	1	116	0.00	58
Total	**20,900**	**2,999,999,418**	**100**	**1,499,999,709**

2023	**Holders**	**Holdings**	**% Holdings**	**Nominal value of shares (₦)**
Other corporate entities	734	2,348,133,492	78.27	1,174,066,746
Other Managed funds	29	9,259,311	0.31	4,629,656
Local Government	1	335,050	0.01	167,525
Individuals	18,984	637,842,278	21.26	318,921,139
Foreign shareholders	73	4,429,171	0.15	2,214,586
Insurance Companies	1	116	0.00	58
Total	**19,822**	**2,999,999,418**	**100**	**1,499,999,710**

Below is the range analysis as at 31 December 2024

Number of Holders	**Holders**	**% of Holders**	**Holdings**	**% Holdings**
1 - 1000	5,262	25.17	2,219,083	0.07
1001 - 10000	8,923	42.70	44,043,216	1.47
10001 - 50000	4,760	22.78	112,162,908	3.74
50001 - 100000	978	4.68	74,835,920	2.49
100001 - 500000	731	3.50	165,852,158	5.53
500001 - 1000000	108	0.52	88,413,501	2.95
1000001 - 5000000	130	0.62	236,332,948	7.88
5000001 - 10000000	6	0.03	65,785,884	2.19
10000001 - 2999999418	2	0.01	2,210,353,800	73.68
	20,900	**100**	**2,999,999,418**	**100**

Directors' Report
For the year ended 31 December 2024

Below is the range analysis as at 31 December 2023

Number of Holders	Holders	% of Holders	Holdings	% Holdings
1 - 1000	4,587	23.10	2,219,083	0.07
1001 - 10000	8,664	43.62	44,043,216	1.47
10001 - 50000	4,663	23.48	112,162,908	3.74
50001 - 100000	959	4.83	74,835,920	2.49
100001 - 500000	743	3.74	165,852,158	5.53
500001 - 1000000	121	0.61	88,413,501	2.95
1000001 - 5000000	113	0.57	236,332,948	7.88
5000001 - 10000000	9	0.05	65,785,884	2.19
10000001 - 2999999418	2	0.01	2,210,353,800	73.68
	19,861	**100**	**2,999,999,418**	**100**

Property, Plant and Equipment (PPE)
Information relating to movement in property, plant and equipment is shown in Note 16(a) to the financial statements.

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

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

Employee consultation and training
The directors maintain regular communication and consultation with the employees on matters affecting employees and the Company.

Employees are kept fully informed regarding the Company's performance and the Company operates an open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.

Training is carried out at various levels through in-house and external courses. The Company's skill base has been extended by a range of training provided to the employees whose opportunity for career development within the Company has been enhanced.

Corporate governance report
Livestock Feeds Plc is a Company of integrity and high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years, is an asset, as are our people and brand. We conduct our business in full compliance with the laws and regulations of Nigeria and UAC Code of Business Conduct.

Directors' Report
For the year ended 31 December 2024

Donations

The Company made a donation of ₦4.3 million during the year (2023:₦3.1 million) In compliance with Section 43(2) of the Companies and Allied Matters Act (CAMA), 2020 the Company did not make any donations of gifts to any political parties, political association, or for any political purpose during the year.

Breakdown of Donations	**2024**	**2023**
	₦'000	**₦'000**
1. Donation for repairing and painting Henry Carr Gate	1,956	-
2. Donation of Eggs to Orile Agege General Hospital	1,084	-
3. Back to school outreach - Orile Agege	450	-
4. Student research- Olabisi Onabanjo University	844	-
5. Donations to Orile Agege General Hospital paediatric ward	-	3,113
Total	**4,334**	**3,113**

Events after the reporting period

There were no significant developments since the balance sheet date which could have had a material effect on the state of the Company at 31 December 2024 and the profit for the year ended on that date which have not been adequately provided for or disclosed in the financial statement.

Independent Auditor

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

By order of the Board

Mrs. Rose Joshua Hamis
Company Secretary
FRC/2017/NBA/00000016315
26 March 2025

Statement of Directors' Responsibilities in relation to the Financial Statements
For the year ended 31 December 2024

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act,2023.

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

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

Signed on behalf of the Board of Directors by:

Chairman	**Managing Director**
Mr. Joseph Dada	**Mr. Adegboyega Adedeji**
FRC/2016/APCON/00000014735	**FRC/2020/003/00000021439**
26 March 2025	**26 March 2025**

Statement of Corporate Responsibility

For the year ended 31 December 2024

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 2024 as follows:

a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.

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 2024.

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 Company, during the year end 31 December 2024.

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 we have disclosed the following information to the Company's Auditors:

(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.

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

Signed on behalf of the Board of Directors by:

Managing Director
Mr.Adegboyega Adedeji
FRC/2020/003/00000021439
26 March 2025

Chief Financial Officer
Mr. Adekunle Adepoju
FRC/2013/ICAN/00000004478
26 March 2025

Report of the Audit Committee
For the year ended 31 December 2024

Report of the Audit Committee to the Shareholders of Livestock Feeds Plc

"In compliance with the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria, We have reviewed the audited Financial Statements of the Company for the year ended 31 December 2024 and report as follows:

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

(b) The scope and planning of the external audit for the year ended 31 December, 2024 were, in our opinion adequate.

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

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

We have deliberated with the External Auditors, who confirmed that all necessary cooperation was received from management and that they had issued a clean report in respect of the financial statements for the year ended 31 December 2024.

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

Dated 26 March 2025

Members of the Audit Committee:

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

Livestock Feeds Plc, year ended 31 December 2024

Certification Pursuant to Section 60 of the Investment and Securities Act, 2007

I, Adedeji Adeboyega, certify that:

a) I have reviewed Managements's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Livestock Feeds Plc ("the Company");

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of 31 December 2024, presented in this report;

d) The Company's other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;

   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;

   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

   4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2024 covered by this report based on such evaluation.

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (KPMG Professional Services) and the audit committee:

   1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of thier evaluation.

Managing Director
Mr. Adedeji Adegboyega
FRC/2020/003/00000021439
26 March 2025

Livestock Feeds Plc, year ended 31 December 2024

Certification Pursuant to Section 60 of the Investment and Securities Act, 2007

I, Adekunle Adepoju, certify that:

a) I have reviewed Managements's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Livestock Feeds Plc ("the Company");

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of 31 December 2024, presented in this report;

d) The Company's other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;

   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;

   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;

   4) have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2024 covered by this report based on such evaluation.

e) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (KPMG Professional Services) and the audit committee:

   1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of thier evaluation.

Chief Financial Officer
Mr. Adekunle Adepoju
FRC/2013/ICAN/00000004478
26 March 2025

Livestock Feeds Plc

for the year ended 31 December 2024

Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of Livestock Feeds Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investment and Securities Act 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of Livestock Feeds Plc assessed the effectiveness of the internal control over financial reporting as of 31 December 2024 using the criteria set forth in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of 31 December 2024, the management of Livestock Feeds Plc did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of 31 December 2024, the Company's internal control over financial reporting was effective.

The Company's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 17 – 18 of the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

Managing Director	**Chief Financial Officer**
Mr. Adedeji Adegboyega	**Mr. Adekunle Adepoju**
FRC/2020/003/00000021439	**FRC/2013/ICAN/00000004478**
26 March 2025	**26 March 2025**

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

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Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Livestock Feeds Plc

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Livestock Feeds Plc ("the Company"), which comprise:
- the statement of financial position as at 31 December 2024;
- 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 material 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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. We have determined that there are no key audit matters to communicate in our report.

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Other Information
The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors Report, Statement of Directors' responsibilities in relation to the Financial Statements, Statement of Corporate Responsibility, Report of the Audit Committee, Certification Pursuant to Section 60 of the Investment and Securities Act, 2007, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other National Disclosures which we obtained prior to the date of the auditor's report the but does not include the financial statements and our auditor's report thereon.

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 on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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

KPMG

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

Report on Other Legal and Regulatory Requirements

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

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

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 29 March 2025. That report is included on page 17 to 18 of the annual report.

Signed:

Omolara O. Ogun, FCA
FRC/ICAN/2012/00000000412
For: KPMG Professional Services
Chartered Accountants
29 March 2025
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0312560

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Independent Auditor's Limited Assurance Report

To the Shareholders of Livestock Feeds Plc

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Livestock Feeds Plc ("the Company") as of 31 December 2024 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants *(including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other matter

We have audited the financial statements of Livestock Feeds Plc in accordance with the International Standards on Auditing, and our report dated 29 March 2025 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

KPMG

Responsibilities for Internal Control over Financial reporting
The Board of Directors of Livestock Feeds Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on the effectiveness of internal control over financial reporting. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.

Our responsibilities
The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (“the Guidance”) requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion
We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Signed:

Omolara O. Ogun, FCA
FRC/2012/ICAN/00000000412
For: KPMG Professional Services
Chartered Accountants
29 March 2025
Lagos, Nigeria

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31 December

	Notes	2024 ₦'000	2023 ₦'000
Revenue	5	41,669,570	20,409,702
Cost of sales	8(i)	(35,242,819)	(19,138,242)
Gross profit		**6,426,751**	**1,271,460**
Other operating income	9	449,555	73,694
Selling and distribution expenses	8(ii)	(376,305)	(193,027)
Administrative expenses	8(iii)	(1,795,303)	(694,231)
Impairment loss reversal	19	-	12,047
Operating profit		**4,704,698**	**469,943**
Finance income	10	148,460	1,244
Finance costs	11	(2,005,806)	(597,945)
Net finance cost		**(1,857,346)**	**(596,701)**
Profit/(loss) before minimum tax		**2,847,352**	**(126,758)**
Minimum tax expense	14(v)	-	(102,417)
Profit/(loss) before taxation		**2,847,352**	**(229,175)**
Income tax expense	14(i)	(912,921)	(843)
Profit /(loss) for the year		**1,934,431**	**(230,018)**
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the year		**1,934,431**	**(230,018)**
Earnings per share (kobo)			
Basic earnings/ (loss) for the year attributable to ordinary equity holders	15	64.48	(7.67)
Diluted earnings/ (loss) for the year attributable to ordinary equity holders	15	64.48	(7.67)

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

Statement of Financial Position
As at 31 December

	Notes	2024	2023
Assets		**₦'000**	**₦'000**
Non-current assets			
Property, plant and equipment	16(a)	1,743,712	1,150,910
Intangible assets	17	144,782	197,538
Right of use assets	20(ii)	495,120	-
Deferred tax assets	14(iii)	54,183	-
Total non-current assets		**2,437,797**	**1,348,448**
Current assets			
Inventories	18	19,332,397	9,598,916
Trade and other receivables	19	152,620	1,676,581
Refund assets	19	5,616	5,616
Prepayments	20	249,671	132,365
Other financial assets	21(i)	17,283	17,283
Cash and cash equivalents	21	1,190,658	597,257
Total current assets		**20,948,245**	**12,028,018**
Total assets		**23,386,042**	**13,376,466**
Equity			
Issued capital	22	1,500,000	1,500,000
Share premium	22	693,344	693,344
Retained earnings/ (Accumulated deficits)		1,191,326	(743,105)
Total equity		**3,384,670**	**1,450,239**
Non -current liabilities			
Lease liabilities	24	230,917	-
Employee benefits	32(iv)	208,380	-
Total current liabilities		**439,297**	**-**
Current liabilities			
Trade and other payables	23	4,983,851	1,524,655
Refund liabilities	23(ii)	6,240	6,240
Current tax liabilities	14(iii)	840,249	116,222
Dividend payable	25	17,384	17,384
Interest-bearing loans and borrowings	26	13,714,351	10,261,726
Total current liabilities		**19,562,075**	**11,926,227**
Total liabilities		**20,001,372**	**11,926,227**
Total equity and liabilities		**23,386,042**	**13,376,466**

The Financial statements was approved and authorised for issue by the Board of Directors on the 26 March 2025 and was signed on its behalf by:

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

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

Statement of Changes in Equity
For the Year ended 31 December

	Issued capital ₦'000	Share premium ₦'000	Retained earnings/ (Accumulated deficit) ₦'000	Total equity ₦'000
Balance at 1 January 2023	1,500,000	693,344	(513,087)	1,680,257
Loss for the year	-	-	(230,018)	(230,018)
OCI for the year	-	-	-	-
Total comprehensive income for the year	-	-	(230,018)	(230,018)
Balance at 31 December 2023	**1,500,000**	**693,344**	**(743,105)**	**1,450,239**
Balance at 1 January 2024	1,500,000	693,344	(743,105)	1,450,239
Profit for the year	-	-	1,934,431	1,934,431
OCI for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,934,431	1,934,431
Balance at 31 December 2024	**1,500,000**	**693,344**	**1,191,326**	**3,384,670**

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

Statement of Cash Flows
For the Year ended 31 December

	Notes	2024 ₦'000	2023 ₦'000
Operating activities			
Profit/ (loss) before tax		2,847,352	(126,758)
Adjustments for:			
Depreciation of property, plant and equipment	13	203,033	168,244
Amortisation of intangible assets	13(i)	52,756	51,908
Depreciation of right of use assets	20(ii)	4,161	-
Gain on disposal of property, plant and equipment	9	(14,917)	(11,003)
Impairment loss reversal	19	-	(12,047)
Finance cost	11	2,005,806	597,945
Finance income	10	(148,460)	(1,244)
Provision for long term employee benefits	32(iv)	208,380	-
Write off of trade receivables	19	34,077	-
Government grant	9	-	(4,966)
		5,192,188	**662,079**
Changes in working capital:			
Increase in inventories	18	(9,733,481)	(4,688,623)
Decrease/(increase) in trade and other receivables	19	1,489,884	(760,388)
Increase in prepayments	20	(117,306)	(92,474)
Increase/ (decrease) in trade and other payables	23	3,459,196	(553,393)
Cash outflow generated from/ (used in) operating activities		**290,481**	**(5,432,799)**
Interest paid on leases	24	(5,173)	-
Income tax paid	14(iii)	(243,077)	(82,830)
Net cash flows generated from/ (used in) operating activities		**42,231**	**(5,515,629)**
Investing activities			
Interest received	10	145,134	1,244
Proceeds from disposal of PPE	9	14,917	11,003
Acquisition of intangible assets	17	-	(12,153)
Purchase of property, plant and equipment	16(a)	(795,835)	(453,812)
Net cash flows used in investing activities		**(635,784)**	**(453,718)**
Financing activities			
Interest paid	26	(1,797,192)	(352,729)
Proceeds from borrowings	26	16,454,939	10,000,000
Repayment of borrowings	26	(13,205,754)	(3,558,508)
Repayment of lease liabilities	24	(268,365)	-
Net cash flows generated from financing activities		**1,183,628**	**6,088,763**
Increase in cash and cash equivalents		590,075	119,416
Cash and cash equivalents at 1 January		597,257	477,841
Effects of movement of exchange rates on cash held		3,326	-
Cash and cash equivalents at 31 December	21	**1,190,658**	**597,257**

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

Notes to the Financial Statements

for the year ended 31 December 2024

Notes to the Financial Statements

For the year ended 31 December 2024

1 Reporting Entity

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.

Statement of compliance

The Company's financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act,2023. Details of the Company's material accounting policies are included in Note 2.

The financial statement were authorized for issue by the Board of Directors on 26 March 2025.

2 Summary of material accounting policies

Basis of preparation

The financial statements are presented in Naira which is the Company's functional currency and all values are rounded to the nearest thousand (₦'000), except when otherwise indicated.

a) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following term.

Employee benefits: Present value of the obligation

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:

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

b) Fair value measurement

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

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

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

c) Revenue from contracts with customers

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

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

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

The disclosures of material accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

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:

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

Notes to the Financial Statements
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

c) Revenue from contracts with customers (cont'd)

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

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

i. Significant financing component

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

ii. Variable consideration

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

Volume incentives and trade discounts

When customers meet a set target in a particular month the Company gives a volume incentive. Trade discounts of 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.

Assets and liabilities arising from rights of return;

Refund assets

Refund assets represent the Company's right to recover the goods expected to be returned by customers. The assets 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.

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 (and the corresponding change in the transaction price) at the end of each reporting period.

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

c) Revenue from contracts with customers (cont'd)

iii. 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

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.

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:

Tertiary Education Tax

Tertiary Education Tax is charged on the assessable profit of the Company at the rate of 3%. The assessable profit of the Company is ascertained in the manner specified in the Companies Income Tax Act (CITA). The assessable profit is arrived at by adjusting the profit before tax with non-deductible expenses and non-taxable income based on the Companies Income Tax Act. The Company offsets the tax assets arising from withholding tax credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

d) Taxes (cont'd)

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.

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.

National Information Technology Development Agency Levy

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

Nigeria Police Trust Fund Levy

Nigeria Police Trust Fund Levy is computed on the net profit(i.e. profit deducting all expenses and

e) Foreign currencies transaction

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.

Notes to the Financial Statements
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

f) Cash dividend

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

g) Property, plant and equipment

Recognition

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

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

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

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life. The depreciation commences immediately the asset is available for intended use.

Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Leasehold Land	5 to 25 years
Building	10 to 33 years
Machinery & Equipment	2 to 10 years
Motor Vehicle	
- Automobile	1 to 10 years
- Truck	3 to 10 years
Computer Equipment	3 to 5 years
Office equipment	3 to 5 years
Capital work in progress	Nil

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

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

Derecognition

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

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

h) Intangible assets

Computer software

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

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

Derecognition of intangible assets

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

i) Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

No changes were made in the objectives, policies or processes for managing capital during the periods ended 31 December 2024 and 2023.

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
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

i) Financial instruments – initial recognition and subsequent measurement (cont'd)

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

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

i) Financial instruments – initial recognition and subsequent measurement (cont'd)

Derecognition (cont'd)

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

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

Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

i) Financial instruments – initial recognition and subsequent measurement (cont'd)

Impairment of financial assets (cont'd)

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

Other Financial Assets

Other financial assets relate to 90% of the unclaimed dividend returned by the registrar of the company. This is in compliance with the directives of the Nigeria Securities and Exchange Commission. The amount is placed in a fixed deposit account where a fixed interest rate is earned.

b) Financial liabilities

Initial recognition and measurement

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

Notes to the Financial Statements

For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

i) Financial instruments – initial recognition and subsequent measurement (cont'd)

Financial liabilities at fair value through profit or loss (cont'd)

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

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

Loans and borrowings

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

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

Derecognition

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

iii) Offsetting of financial instruments

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

j) Inventories

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

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

Cost is determined as follows:-

Raw materials and packaging materials

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

Finished goods

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

Notes to the Financial Statements
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

j) Inventories (cont'd)

Spare parts and consumables

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

k) Impairment of non-financial assets

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

• Disclosures for significant assumptions	Note 4
• Property, plant and equipment	Note 16(a)
• Intangible assets	Note 17

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 Company's 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
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

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 and Contingent assets

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.

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

o) Government grant

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

p) Pension and other post-employment benefits

i) Defined contribution scheme - pension

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

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

Notes to the Financial Statements
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

i) Defined contribution scheme - pension (cont'd)

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.

ii) Other long term benefits

Other long term benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefit. The company's net obligation under other long term benefits is the amount of future benefits that employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value and remeasurements are recognised in the profit or loss account in the period in which they arise.

iii) Profit-sharing and bonus plans

All full-time staff are eligible to participate in the profit-sharing scheme. The company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments.

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.

Notes to the Financial Statements
For the year ended 31 December 2024

2 Summary of material accounting policies (cont'd)

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) Segment 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.

s) Prepayments:

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods or services. They are recognized when the Company expects to receive future economic benefits equivalent to the value of the prepayments.

The receipt or consumption of the services is a reduction in the prepayment and a corresponding increase in expense or assets for that reporting period.

Notes to the Financial Statements

For the year ended 31 December 2024

3 Application of new and revised International Financial Reporting Standards (IFRSs)

a) 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 (IFRS Accounting Standards) that are mandatorily effective for accounting period that begins on or after 1 January 2024.

i) Lease Liability in a Sale and Leaseback (Amendments to IFRS Standards 16)

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

As part of the amendments, the IASB amended an Illustrative example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

This has no material impact on the Company's financial statements.

ii) Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date. The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The implementation of these amendments have had no material impact on the Company's financial statements.

iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures — Supplier Finance Arrangements

The amendments apply to supplier finance arrangements that have all of the following characteristics.

1. A finance provider pays amounts a company (the buyer) owes its suppliers

2. A Company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.

Notes to the Financial Statements

For the year ended 31 December 2024

3 Application of new and revised International Financial Reporting Standards (IFRSs) (cont'd)

iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures — Supplier Finance Arrangements (cont'd)

3. The Company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory. The amendments introduce two new disclosure objectives-one in IAS 7 and another in IFRS 7. For the Company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Company's liabilities and cash flows, and the Company's exposure to liquidity risk. Under the amendments, Companies also need to disclose the types and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement.

The implementation of these amendments have had no material impact on the Company's financial statements.

b) Standards issued but not yet effective

i) Amendment to IAS 21 – Lack of exchangeability (effective 1 January 2025)

An entity is impacted by this amendment when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The lack of exchangeability may occur, for example, because of government imposed controls on capital imports and exports, or the volume of foreign currency transactions that can be undertaken at an official exchange rate is limited. The amendments clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability.

The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

The effective date of the amendment is for years beginning on or after 1 January 2025.

These amendments are not expected to have any material impact on the Company's financial statements.

ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

These amendments clarify how to classify and disclose some financial assets with ESG-linked features. The amendments to IFRS 9 include guidance on the classification of financial assets, including those with contingent features while amendments to IFRS 7 now requires Companies to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The amendments also introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The effective date of the amendment is for years beginning on or after 1 January 2026.

These amendments are not expected to have any material impact on the Company's financial statements.

iii) IFRS 18 Presentation and Disclosure in Financial Statements

The standard aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information It provides significant changes to how a company presents its income statement and what information needs to be disclosed, and making certain ‘non-GAAP’ measures part of the audited financial statements for the first time.

Notes to the Financial Statements

For the year ended 31 December 2024

b) Standards issued but not yet effective (cont'd)

iii) IFRS 18 Presentation and Disclosure in Financial Statements (cont'd)

The effective date of the amendment is for years beginning on or after 1 January 2027.

The directors of the Company anticipate that these amendments are not expected to have material impact on the financial statements presentation.

iv) IFRS 19 Subsidiaries without public accountability: Disclosures (effective 1 January 2027)

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

v) Annual improvements to IFRS standards - volume 11 (effective 1 January 2026)

These amendments, published in a single document, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.

The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

4 Material 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 out comes 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 7
• Financial instruments risk management and policies	Note 31
• Sensitivity analyses disclosures	Note 31

Judgements

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2024

4 Material accounting judgements, estimates and assumptions (cont'd)

(b) Revenue from contracts with customers

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

Determining the timing of satisfaction of sales of feeds and concentrates

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

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

(b) Provision for expected credit losses of trade receivables

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

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

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 19 and 31.4

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

4 Material accounting judgements, estimates and assumptions (cont'd)

(c) Depreciation and carrying value of property, plant and equipment

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

(d) Taxes

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

5 Revenue from contracts with customers

5.1 Disaggregated revenue information

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

	For the year ended 31 December 2024				
Segments	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**Total**
	₦'000	**₦'000**		**₦'000**	**₦'000**
Type of goods or service					
Sales of livestock feeds	16,366,119	18,009,953	2,372,298	4,921,200	41,669,570
Total revenue from contracts with customers	**16,366,119**	**18,009,953**	**2,372,298**	**4,921,200**	**41,669,570**
Geographical markets					
Within Nigeria	16,366,119	18,009,953	2,372,298	4,921,200	41,669,570
Total revenue from contracts with customers	**16,366,119**	**18,009,953**	**2,372,298**	**4,921,200**	**41,669,570**
Timing of revenue recognition					
Goods transferred at a point in time	16,366,119	18,009,953	2,372,298	4,921,200	41,669,570
Total revenue from contracts with customers	**16,366,119**	**18,009,953**	**2,372,298**	**4,921,200**	**41,669,570**

	For the year ended 31 December 2023				
Segments	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**Total**
	₦'000	**₦'000**		**₦'000**	**₦'000**
Type of goods or service					
Sales of livestock feeds	6,109,410	10,503,120	1,292,558	2,504,614	20,409,702
Total revenue from contracts with customers	**6,109,410**	**10,503,120**	**1,292,558**	**2,504,614**	**20,409,702**
Geographical markets					
Within Nigeria	6,109,410	10,503,120	1,292,558	2,504,614	20,409,702
Total revenue from contracts with customers	**6,109,410**	**10,503,120**	**1,292,558**	**2,504,614**	**20,409,702**
Timing of revenue recognition					
Goods transferred at a point in time	6,109,410	10,503,120	1,292,558	2,504,614	20,409,702
Total revenue from contracts with customers	**6,109,410**	**10,503,120**	**10,503,121**	**10,503,121**	**20,409,702**

Notes to the Financial Statements - Continued
For the year ended 31 December 2024

5 Revenue from contracts with customers (cont"d)

Performance obligations

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

Sale of Animal feeds

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

Contract balances	**2024**	**2023**
	₦'000	**₦'000**
Trade receivables (Note 19)	114,750	267,354

In 2024, provision for trade receivable is ₦97.95 Million (2023: ₦132.03million). No amount was recognised as impairment losses on trade receivables in the statement of profit or loss and other comprehensive income. The sum of ₦34 Million was written off during the year as bad debt.

6 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.

	2024	**2023**
	₦'000	**₦'000**
Revenue from contract with customers (Note 5)	41,669,570	20,409,702
Operating profit	4,704,698	469,943
Finance cost (Note 11)	(2,005,806)	(597,945)
Finance income (Note 10)	148,460	1,244
Profit before taxation	2,847,352	(126,758)
Minimum tax expense (Note 14 (v))	-	(102,417)
Income tax expense (Note 14 (i))	(912,921)	(843)
Total assets	23,386,042	13,376,466
Total liabilities	20,001,372	11,926,227

Revenue

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

	2024	**2023**
	₦'000	**₦'000**
Aba	16,366,119	6,109,410
Ikeja	18,009,953	10,503,120
Onitsha Operations	2,372,298	1,292,558
Northern Operations	4,921,200	2,504,614
	41,669,570	**20,409,702**

Notes to the Financial Statements - Continued
For the year ended 31 December 2024

6 Segment information (cont'd)

Segmental revenue and operating profit-31 December 2024

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
From external customers	16,366,119	18,009,953	2,372,298	4,921,200	41,669,570
Segment revenue	16,366,119	18,009,953	2,372,298	4,921,200	41,669,570
Cost of sales	(13,924,433)	(15,266,549)	(2,016,453)	(4,035,384)	(35,242,819)
Gross profit	**2,441,686**	**2,743,404**	**355,845**	**885,816**	**6,426,751**
Selling and distribution expense	(146,550)	(170,914)	(26,505)	(32,337)	(376,306)
Trading profit	**2,295,136**	**2,572,490**	**329,340**	**853,479**	**6,050,445**
Other income	231,405	212,962	-	5,188	449,555
Profit from sales of raw materials	-	354,463	-	-	354,463
Operating profit	**2,526,541**	**3,139,915**	**329,340**	**858,667**	**6,854,463**
Finance cost	(594,376)	(1,026,641)	(74,446)	(310,342)	(2,005,805)
Contribution to margin	**1,932,165**	**2,113,274**	**254,894**	**548,325**	**4,848,658**

Head Office	
Dividend income (Note 9)	459
Finance income (Note 10)	148,460
Laboratory income	2,252
Sales of scrap	118
Gain on disposal of assets (Note 9)	14,917
Miscellaneous income	1,258
Administrative cost (Note 8(iii))	(1,795,303)
Marketing cost	(373,467)
Profit before tax	**2,847,352**

Segment assets and liabilities- 31 December 2024

Non-current assets	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
Property, plant and equipment	1,193,305	347,634	201,282	-	1,491	1,743,712
Intangible assets	144,782	-	-	-	-	144,782
Right of use of assets	-	-	-	-	495,120	495,120
Deferred tax assets	54,183	-	-	-	-	54,183
Total Non-current Assets	**1,392,270**	**347,634**	**201,282**	**-**	**496,611**	**2,437,797**

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

6 Segment information (cont'd)

Segment assets and liabilities- 31 December 2024

Current assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Inventory	10,542,237	3,181,739	3,971,467	12,644	1,624,310	19,332,397
Trade and other receivables	37,870	48,498	54,391	8,695	3,166	152,620
Refund assets	5,616	-	-	-	-	5,616
Prepayments	113,710	2,633	22,495	-	110,833	249,671
Other financial asset	17,283	-	-	-	-	17,283
Cash and cash equivalents	164,480	26	1,011,464	14,669	19	1,190,658
Total Current Assets	**10,881,196**	**3,232,896**	**5,059,817**	**36,008**	**1,738,328**	**20,948,245**

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.

Non-current liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Lease liabilities	-	-	-	-	230,917	230,917
Employee benefits	208,380	-	-	-	-	208,380
	208,380	**-**	**-**	**-**	**230,917**	**439,297**

Current liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade and other payables	4,860,793	21,168	57,927	33,362	10,601	4,983,851
Short- term borrowings	13,714,351	-	-	-	-	13,714,351
Refund liabilities	6,240	-	-	-	-	6,240
Dividend payable	17,384	-	-	-	-	17,384
Current tax liabilities	840,249	-	-	-	-	840,249
Total Current Liabilities	**19,439,017**	**21,168**	**57,927**	**33,362**	**10,601**	**19,562,075**

Notes to the Financial Statements - Continued
For the year ended 31 December 2024

6 Segment information (cont'd)

Segmental revenue and operating profit -31 December 2023

	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
From external customers	6,109,410	10,503,120	1,292,558	2,504,614	20,409,702
Segment revenue	6,109,410	10,503,120	1,292,558	2,504,614	20,409,702
Cost of sales	(5,817,791)	(9,786,827)	(1,218,262)	(2,315,361)	(19,138,242)
Gross profit	**291,619**	**716,293**	**74,296**	**189,253**	**1,271,460**
Selling and distribution expense	(24,239)	(48,050)	(16,379)	(39,977)	(128,645)
Trading profit	**267,380**	**668,243**	**57,917**	**149,276**	**1,142,815**
Other income	24,214	31,431	-	4,386	60,030
Operating profit	**291,593**	**699,673**	**57,917**	**153,662**	**1,202,845**
Finance expense	(157,143)	(347,535)	(16,850)	(76,417)	(597,945)
Contribution to margin	**134,450**	**352,138**	**41,067**	**77,245**	**604,900**

Head Office	
Dividend income (Note 9)	347
Interest income (Note 10)	1,244
Laboratory income	474
Gain on disposal of assets (Note 9)	11,003
Miscellaneous income	523
ITF refund	981
Sale of scraps	335
Impairment loss reversal (Note 19)	12,047
Administrative cost(Note 8(iii))	(694,231)
Marketing cost	(64,381)
Loss before tax	**(126,758)**

Segment assets and liabilities- 31 December 2023

Non-current assets	Head office	Aba	Ikeja	Onitsha Operations	Northern Operations	Total
Property, plant and equipment	512,375	362,566	268,771	127	7,071	1,150,910
Intangible assets	197,538	-	-	-	-	197,538
Total Non-current Assets	**709,913**	**362,566**	**268,771**	**127**	**7,071**	**1,348,448**

Notes to the Financial Statements - Continued
For the year ended 31 December 2024

6 Segment information (cont'd)

Current assets						
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Inventory	3,994,954	1,148,506	3,210,039	14,407	1,231,011	9,598,916
Trade and other receivables	1,513,837	55,837	80,368	20,607	5,931	1,676,581
Refund assets	5,616	-	-	-	-	5,616
Prepayments	100,626		21,739		10,000	132,365
Other financial asset	17,283	-	-	-	-	17,283
Cash and cash equivalents	597,238	5	8	2	4	597,257
Total Current Assets	**6,229,554**	**1,204,348**	**3,312,154**	**35,016**	**1,246,946**	**12,028,018**

	Head office	**Aba**	**Ikeja**	**Onitsha Operations**	**Northern Operations**	**Total**
Current liabilities	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade and other payables	1,077,849	259,657	110,765	19,161	50,324	1,517,756
Short- term	10,261,726	-	-	-	-	10,261,726
Refund liabilities	6,240	-	-	-	-	6,240
Dividend payable	17,384	-	-	-	-	17,384
Current tax	116,222	-	-	-	-	116,222
Total Current Liabilities	**11,479,421**	**259,657**	**110,765**	**19,161**	**50,324**	**11,919,328**

7 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.

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

7 Capital management (cont'd)

	Note	2024 ₦'000	2023 ₦'000
Trade and other payables	23	4,983,851	1,524,655
Interest-bearing loans and borrowings	26	13,714,351	10,261,726
Cash and cash balances	21	(1,190,658)	(597,257)
Net debt		**17,507,544**	**11,189,124**
Total capital: Equity		3,384,670	1,450,239
Capital and net debt		**20,892,214**	**12,639,363**
Gearing ratio		**84%**	**89%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

8 Expenses by Nature

8(i) Cost of sales

	Notes	2024 ₦'000	2023 ₦'000
Change in inventories of finished goods and work in progress		33,698,198	18,096,559
Salaries and other staff benefit*		680,205	371,893
Business travelling expenses		6,280	15,216
Business entertainment expenses		6,818	6,864
Electricity and power		313,704	253,049
Depreciation of property, plant & equipment	13	165,294	144,676
Amortisation of intangible assets	13(i)	108	652
Depreciation expense - machinery & equipment (ROU)		4,161	-
Rent**		94,663	62,377
Security expenses		27,394	18,273
Local repair and renewal		125,117	98,009
Laboratory expenses		7,853	6,077
Research & development		30,133	4,653
Vehicle repairs expenses		15,508	7,442
Sundry vehicle expenses		2,839	1,934
Cleaning & sanitation		7,782	4,211
Office stationery & printing		7,403	6,349
Rates		3,258	7,110
Subscription		6,397	9,433
Information Technology		1,280	551
Other expenses ***		38,424	22,914
Total cost of sales		**35,242,819**	**19,138,242**

* Salaries & other benefits includes Employer Pension for the year ₦14,973,130 (2023: ₦10,731,126).

**Rent represents amount amortized on short-term lease of warehouse during the year.

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

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

Expenses by Nature-continued

8(ii) Selling and distribution expenses

	Notes	2024 ₦'000	2023 ₦'000
Salaries and other staff benefit*		172,946	84,664
Business travelling expenses		35,715	24,723
Distribution expenses		44,709	37,011
Corporate gifts/marketing investment		91,430	23,924
Depreciation of property, plant & equipment	13	18,556	9,099
Electricity and power		2,838	1,593
Office stationery and printing		-	138
Local repair and renewal		202	74
Advertisement and publicity		870	2,024
Vehicle repairs, maintenance & fuelling		8,574	6,927
Internet charges/IT licencing renewal		-	15
Other expenses **		465	2,835
		376,305	193,027

* Salaries & other benefits include Employer's Pension ₦5,497,785 (2023: ₦4,209,742)

** Other expenses include all other expenses that are related to selling & distribution but not stated above such as, staff uniform, postages, and telephone expenses etc which were incurred during the year.

8(iii) Administrative expenses

	Notes	2024 ₦'000	2023 ₦'000
Salaries and other staff benefit*		622,601	184,926
Consultancy		80,879	7,881
Audit fee**		20,373	16,641
Non-audit related services ***		15,840	12,900
Subscription		8,767	13,168
Board expenses	31(ii)	30,217	23,220
AGM expenses		7,769	4,961
Information Technology		205,954	70,536
Depreciation of property,plant & equipment	13	19,183	14,469
Amortisation of intangible assets	13(i)	52,648	51,256
Insurance		53,677	42,129
Management service fees	28	427,013	192,807
Bank charges		26,431	15,333
Business travelling & entertainment		19,949	10,391
Electricity & power		9,844	5,255
Cleaning & sanitation		513	946
Security expenses		891	2,863
Office stationery & printing		2,181	2,539
Local repairs & renewal		2,102	2,646
Rent and rates		3,807	445
Advertisement & publicity		1,094	1,100
Vehicles repairs, maintenance & fueling		1,984	4,893
Other expenses ****		181,586	12,926
		1,795,303	694,231

* Salaries & Other benefits include Employer's Pension ₦12,015,047(2023:₦10,134,293).

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

8(iii) Administrative expenses (cont'd)

** Audit fees relates to the professional fees for our external auditor.

*** Non-Audit related services, relates to the professional fees for the limited Assurance Engagement performed on Management's Assessment of Internal Control over Financial reporting.

**** Included in other expenses is the back duty assessment amounting to N159 million with respect to withholding tax and value added tax expenses for 2012-2021.

9 Other operating income

	Notes	2024 ₦'000	2023 ₦'000
Sales of sacks		70,311	47,755
Laboratory income *		2,607	538
Weighing income**		1,948	641
Sales of scrap		3,592	6,882
Gain on disposal of property, plant and equipment		14,917	11,003
Registration fees		1,258	579
Dividend income		459	347
ITF refund		-	981
Profit on sales of raw materials***		354,463	-
Government grant	27	-	4,966
Total other operating income		**449,555**	**73,694**

* The Company has laboratories in Ikeja mill and Aba mill where third parties come for laboratory 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.

*** Profit on sales of raw materials relates to gain on sales of crude soya oil and natuzyme.

10 Finance income

	2024 ₦'000	2023 ₦'000
Interest income on short-term bank deposits	143,426	492
Interest income - unclaimed dividend	1,708	751
	145,134	**1,244**
Gain on unrealized foreign currency revaluation	3,326	-
	148,460	**1,244**

11 Finance cost

	2024 ₦'000	2023 ₦'000
Interest on loans	1,508,126	597,945
Treasury expenses**	492,507	-
Lease interest expenses	5,173	-
	2,005,806	**597,945**

**Treasury expenses relates to finance costs paid to the parent company, UAC of Nigeria Plc in respect of funding support provided to the Company to augment it's working capital requirements

12 Profit/ (loss) before

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

		2024 ₦'000	2023 ₦'000
Amortisation of intangible assets	13(i)	52,756	51,908
Depreciation	13	203,033	168,244
Auditors remuneration	8(iii)	20,373	16,641
Staff cost	8(i,ii,iii)	1,475,752	641,483

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

13	Depreciation of property, plant & equipment	Notes	2024	2023
			₦'000	₦'000
	Cost of sales	8(i)	165,294	144,676
	Selling and distribution expenses	8(ii)	18,556	9,099
	Administrative expenses	8(iii)	19,183	14,469
			203,033	**168,244**

(i)	Amortisation of intangible assets		2024	2023
			₦'000	₦'000
	Cost of sales	8(i)	108	652
	Administrative expenses	8(iii)	52,648	51,256
			52,756	**51,908**

14 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:

	2024	2023
	₦'000	₦'000
Current tax expense:		
Company income tax	727,910	-
Education tax charge	112,197	843
Prior year under provision*	126,855	-
Police Trust Fund Levy	142	-
	967,104	843
Deferred tax:		
Relating to origination and reversal of temporary differences	(54,183)	-
Income tax charge	**912,921**	**843**

* Prior year under provision is the additional company income tax liabilities resulting from the Federal Inland Revenue Service (FIRS) tax audit exercise covering 2012-2021 accounting years.

(ii) Reconciliation of the effective tax rate

	2024		2023	
	₦'000	%	₦'000	%
Profit/ (loss) before income tax	2,847,352		(126,758)	
Income tax using statutory tax rate	854,206	30	(38,028)	30
Education tax at 3% of assessable profit	85,421	3	(843)	1
Police trust fund	142	0	-	-
Effect of income that is exempt from taxation	(152)	(0)	-	-
Non deductible expenses	80,634	3	-	-
Prior year under provision	126,855	4	-	-
Current year deductible temporary difference for which no deferred tax was recognised	-	-	39,714	(31)
Recognition of previously unrecognised tax losses	(187,969)	(7)	-	-
Recognition of previously unrecognised deductible temporary differences	(46,216)	(2)	-	-
Income tax recognised in profit or loss	**912,921**	**31**	**843**	**(1)**

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

14 Taxation (cont'd)

Deferred tax

Deferred tax relates to the following:	**2024**	**2023**
	₦'000	**₦'000**
Property, plant and equipment	165,285	3,919
Unutilised tax losses	-	(187,969)
Employee benefits	(68,766)	-
Provisions	(238,988)	(49,260)
Unrealised exchange gain	1,098	(875)
Right of use assets	87,188	-
Net deferred tax assets	**(54,183)**	**(234,185)**
Unrecognised deferred tax assets	-	234,185
Net deferred tax assets	**(54,183)**	**-**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Property, plant and equipment	**Employee benefits**	**Provisions**	**Exchange Difference**	**Leases**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 January 2024	-	-	-	-	-	-
Charged to profit or loss	165,285	(68,766)	(238,988)	1,098	87,188	(54,183)
At 31 December 2024	**165,285**	**(68,766)**	**(238,988)**	**1,098**	**87,188**	**(54,183)**

		2024	**2023**
		₦'000	**₦'000**
(iii)	**Deferred tax reflected in the statement of financial position as follows:**		
	Deferred tax assets	(54,183)	-
	Deferred tax liabilities	-	-
	Deferred tax assets	**(54,183)**	**-**

Current tax liabilities	**2024**	**2023**
	₦'000	**₦'000**
As of 1 January	116,222	95,792
Income tax expense for the year	967,104	843
Minimum tax	-	102,417
Payment during the year	(243,077)	(82,830)
As at 31 December	**840,249**	**116,222**

(v) Minimum tax

Minimum tax has been computed based on 0.5% of turnover in line with the Finance Act 2021. There is no minimum tax for the year, as the Company has a taxable profit (2023: N102.4 million).

15 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.

Notes to the Financial Statements - Continued
For the year ended 31 December 2024

15 Earnings per share (EPS) (cont'd)

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

	2024	2023
	₦'000	**₦'000**
earnings/ (Loss) attributable to ordinary equity holders for basic earnings	1,934,431	(230,018)
	Thousands	**Thousands**
Average number of ordinary shares for basic EPS	2,999,999	2,999,999
Basic earnings/ (loss) per share (Kobo)	64.48	(7.67)
Diluted earnings/ (loss) per share	64.48	(7.67)

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

16(a) Property, plant and equipment

	Building	Machinery & Equipment	Motor Vehicles	Office Equipment	Computer equipment	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
1 January 2023	**277,643**	**1,220,593**	**165,281**	**64,257**	**69,909**	**300,218**	**2,097,901**
Additions	198	164	4,193	77	-	449,180	453,812
Disposal	-	(54)	(34,945)	-	(5,595)	-	(40,594)
Reclassification	9,471	204,266	42,065	(118)	22,682	(278,366)	-
31 December 2023	**287,312**	**1,424,968**	**176,593**	**64,216**	**86,996**	**471,032**	**2,511,119**
Additions	-	-	-	-	-	795,835	795,835
Disposal	-	-	(44,750)	(418)	-	-	(45,168)
Reclassification	12,097	134,310	120,122	7,890	39,448	(313,867)	-
31 December 2024	**299,409**	**1,559,278**	**251,965**	**71,688**	**126,444**	**953,000**	**3,261,786**
Accumulated depreciation							
1 January 2023	**153,711**	**853,826**	**133,500**	**41,044**	**50,475**	**-**	**1,232,558**
Depreciation charge for the year	9,221	112,065	26,033	7,828	13,099	-	168,245
Disposal	-	(54)	(34,945)	-	(5,594)	-	(40,594)
Reclassification	-	-	-	(1,618)	1,618	-	-
31 December 2023	**162,932**	**965,837**	**124,588**	**47,254**	**59,598**	**-**	**1,360,209**
Depreciation charge for the year	9,371	125,769	39,430	7,061	21,402	-	203,033
Disposal	-	-	(44,750)	(418)	-	-	(45,168)
Reclassification	-	-	-	-	-	-	-
31 December 2024	**172,303**	**1,091,606**	**119,268**	**53,897**	**81,000**	**-**	**1,518,074**
Net book value							
1 January 2023	**153,711**	**853,826**	**133,500**	**41,044**	**50,475**	**-**	**1,232,558**
31 December 2023	**124,380**	**459,131**	**52,005**	**16,962**	**27,398**	**471,032**	**1,150,910**
31 December 2024	**127,106**	**467,672**	**132,697**	**17,791**	**45,444**	**953,000**	**1,743,712**

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 (2023: Nil). No contractual commitment on any of the Company's Property, plant and equipment.

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

16(b). Analysis of Capital WIP into asset classes:

	2024 ₦'000	2023 ₦'000
Buildings	743,187	464,482
Machinery and Equipment	89,119	6,550
Computer Hardware	38,444	-
Motor Vehicle	82,250	-
	953,000	**471,032**

17 Intangible assets

Computer software with definite useful life

	2024 ₦'000	2023 ₦'000
Cost:		
At 1 January	275,833	263,680
Additions	-	12,153
At 31 December	**275,833**	**275,833**
Amortisation		
At 1 January	78,295	26,387
Amortisation	52,756	51,908
At 31 December	**131,051**	**78,295**
Carrying value	**144,782**	**197,538**

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

The Company had no capital commitments as at 31 December 2024 (2023: Nil). There were no capitalized borrowing costs related to the acquisition of intangibles assets during the year (2023: Nil).

There are no restrictions on the Company's title to its intangible assets. All intangible assets items are non-current. There are no impairment losses for the year (2023:Nil).

18 Inventories

	2024 ₦'000	2023 ₦'000
Raw materials	18,439,529	8,842,318
Finished goods	339,488	170,097
Veterinary drugs	248,597	379,272
Engineering spares	268,663	180,428
Diesel	36,120	26,801
	19,332,397	**9,598,916**

Changes in inventories in the statement of cashflows

	2024 ₦'000	2023 ₦'000
Inventories at 1 January	9,598,916	4,910,292
Inventories at 31 December	19,332,397	9,598,916
	(9,733,481)	**(4,688,624)**

During 2024, there was no write off and write down of Inventories by the Company (2023: Nil), In addition, the Company recognised ₦34 billion (2023:₦18 billion) as an expense for inventories carried at net realisable value. These are recognised in the cost of sales(Note 8(i)).

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

19 Trade and other receivables

	2024 ₦'000	2023 ₦'000
Receivables from third-party customers	114,750	267,354
Allowance for expected credit losses	(97,953)	(132,030)
	16,797	135,324
Related parties receivables (Note 28)	59,211	127,228
Other receivables	18,296	18,403
	94,304	**280,955**
Advance payments to suppliers*	58,316	1,395,626
	152,620	**1,676,581**
Refund asset	5,616	5,616
	158,236	**1,682,197**

Trade receivables are non-interest bearing and are generally on terms of 90 days. For terms and conditions relating to related party receivables, refer to Note 28.

*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:

	2024 ₦'000	2023 ₦'000
As at 1 January	(132,030)	(144,077)
Reversal of trade receivables	-	12,047
Bad debt written off	34,077	-
At 31 December	**(97,953)**	**(132,030)**

The information about the credit exposures are disclosed in Note 31.4.

Changes in trade and other receivables in the statement of cashflows	2024 ₦'000	2023 ₦'000
Trade and other receivables at 1 January	1,682,197	909,762
Trade and other receivables at 31 December	158,236	1,682,197
	1,523,961	**(772,435)**
Reversal of trade receivables	-	12,047
Bad debt written off	(34,077)	-
	1,489,884	**(760,388)**

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.

	2024 N'000	2023 N'000
As at 1 January	5,616	4,683
Amount deferred as a result of unexpired rights	5,616	5,616
Cost of sales recognized in the period from:		
Expired right not exercised	(5,616)	(4,683)
As at 31 December	**5,616**	**5,616**

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

20 Prepayments

	2024	2023
Due within one year:	**₦'000**	**₦'000**
Others*	116,542	38,890
Short-term lease prepayments (Note 20(i))	43,567	41,965
Insurance	89,562	51,510
	249,671	**132,365**

Changes in prepayments in the statement of cashflows	**2024**	**2023**
	₦'000	**₦'000**
Prepayments at 1 January	132,365	4,910,292
Prepayments at 31 December	249,671	132,365
	(117,306)	**4,777,927**

*Others relates to SAP licence fee, internet services, generator maintenance and training etc during the year.

20(i) Short-term lease prepayments

These were lease payment for Warehouse made during the year for a lease period of one year. 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 leases are those including extension options reasonably certain to be exercised, with a total term of 12 months or less. Contracts that were in existence at the transition date, 1 January 2019, are assessed as short-term leases based on the transition date. All other contracts are assessed as short-term leases based on the contract start date.

20(ii) Right of Use assets

	2024	2023
	₦'000	**₦'000**
Opening balance	-	-
Addition	499,281	-
Depreciation	(4,161)	-
Closing Balance	**495,120**	**-**

During the year, the Company entered into a lease agreement with Northern Rice and Oil Mill factory & equipments for a lease period of ten years. The lease will expire on 30th November 2026.

21 Cash and bank balances

	2024	2023
	₦'000	**₦'000**
Cash on hand	20	130
Cash at banks	1,190,638	597,127
	1,190,658	**597,257**

21(i) Other financial asset(Unclaimed dividend funds)

	2024	2023
	₦'000	**₦'000**
Unclaimed dividend funds*	17,283	17,283
	17,283	17,283

* Other financial assets relates to 90% of unclaimed dividend returned by the registrar of the Company. The amount is placed in a fixed deposit account by the Company. This is in compliance with the directives of the Nigeria Securities and Exchange Commission.

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

21(i) Other financial asset(Unclaimed dividend funds) (cont'd)

Interest Income earned on Unclaimed dividend funds till date

	2024	2023
	₦'000	₦'000
Interest earned	7,493	5,786
	7,493	**5,786**

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

	2024	2023
	₦'000	₦'000
Cash on hand, cash at bank and call deposit	1,190,658	597,257

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

22 Issued capital and reserves

	₦'000	₦'000
Ordinary shares issued and fully paid		
2,999,999,418 ordinary shares of 50kobo each	1,500,000	1,500,000
Share premium		
At 1 January	693,344	693,344
At 31 December	**693,344**	**693,344**

23 Trade and other payables

Trade payables	3,618,425	904,179
Related parties (Note 28)	105,730	32,983
Other payables (Note 23(i))	1,259,696	587,493
	4,983,851	**1,524,655**
Refund liabilities (Note 23(ii))	6,240	6,240
	4,990,091	**1,530,895**

Changes in trade and other payables in the statement of cashflows

	2024	2023
	₦'000	₦'000
Trade and Other Payables at 1 January	1,530,895	2,084,288
Trade and Other Payables at 31 December	4,990,091	1,530,895
	3,459,196	**(553,393)**

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 28

For explanations on the Company's liquidity risk management processes, refer to Note 31.3.

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

23(i) Other payables

	2024	2023
	₦'000	**₦'000**
Value added tax payable	2,277	1,487
Accrued liabilities	1,175,262	545,841
Withholding tax payable	56,228	25,678
Pay as you earn payable	15,141	8,962
Industrial training fund payable	10,709	5,525
Pension	79	-
	1,259,696	**587,493**

23(ii) Refund liabilities

Refund liabilities	6,240	6,240
	1,265,936	**593,733**

(i) 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. See breakdown of refund analysis below:

	2024	2023
	₦'000	**₦'000**
As at 1 January	6,240	4,924
Amount deferred as a result of unexpired rights	6,240	6,240
Revenue recognized in the period from:	-	-
Expired right not exercised	(6,240)	(4,924)
As at 31 December	**6,240**	**6,240**

Net refund liabilities consist of the following at December 31:

(In thousands of naira)	**2024**	**2023**	**Change**	**Change**
Refund assets	5,616	5,616	-	0%
Refund liabilities	(6,240)	(6,240)	-	0%
Net refund liabilities	**(624)**	**(624)**	**-**	**0%**

24 Lease Liability

	2024	2023
	₦'000	**₦'000**
Opening balance	-	-
Addition during the year	499,282	-
Lease interest expenses	5,173	-
Lease principal paid during the year	(268,365)	-
Lease interest paid during the year	(5,173)	
	230,917	-
Splitting into Current and Non-Current		
Non-Current	230,917	-
	230,917	**-**

This relates to lease liability on Northern Rice and Oil Mill factory & equipments. See Note 20(ii) for details

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

25 Dividend payable

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

	2024 ₦'000	2023 ₦'000
As at 1 January	(17,384)	(17,384)
As at 31 December	**(17,384)**	**(17,384)**

26 Interest-bearing loans and borrowings

	2024	2023
Borrowings -Current	**₦'000**	**₦'000**
Commercial loan - First Bank of Nigeria Limited (FBN)	7,317,367	7,242,241
Commercial loan - Zenith bank Pc	6,396,984	3,019,485
	13,714,351	**10,261,726**

Reconciliation of interest-bearing loans and borrowings

As at 1 January	10,261,726	3,575,018
Additions*	16,454,939	10,000,000
Interest charged on loans	2,000,632	597,945
Principal repayments	(13,205,754)	(3,558,508)
Interest repayments	(1,797,192)	(352,729)
As at 31 December	**13,714,351**	**10,261,726**

Maturity

0 - 1 year	13,714,351	10,261,726
Total	**13,714,351**	**10,261,726**

Bank loans include the following:

a) During the year, the Company drew down a short-term facility of ₦7.37 billion granted by First Bank of Nigeria Limited. The facility was obtained to finance the purchase of raw materials and has a tenor of 12 months, with an interest rate of 32%.

b) The Company utilized a short-term facility of ₦6.25 billion granted by Zenith Bank Plc to finance the purchase of raw materials. The loan has a tenor of 12 months with an interest rate of 30%.

c) UAC of Nigeria Plc sourced a commercial paper amounting to ₦2.83 billion on behalf of the Company. The tenor of the facility ranges between 180 and 270 days, with a maturity date of 3 December 2024.

27 Government grant

	2024 N'000	2023 N'000
As at 1 January	-	4,966
Released to the statement of profit & loss	-	(4,966)
As at December 31	-	-

Notes to the Financial Statements - Continued

For the year ended 31 December 2024

28 Related party disclosures

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

Related party disclosures

	Relationship	Management service fees	Purchases from related parties	Sales to related parties	Amounts owed by related parties	Amounts owed to related parties
As at 31 December 2024		**₦'000**	**₦'000**		**₦'000**	**₦'000**
Entity with control over the Company:						
UAC of Nigeria Plc	Parent Company	427,013	-	-	59,211	-
Other related party						
UAC Foods Ltd	Fellow Subsidiary	-	-	-		-
CAP PLC	Fellow Subsidiary	-	-	-	-	-
Grand Cereals Nigeria Limited	Fellow Subsidiary	-	777,886	1,947,390		105,730
		427,013	**777,886**	**1,947,390**	**59,211**	**105,730**

As at 31 December 2023

Entity with control over the Company:						
UAC of Nigeria Plc	Parent Company	192,807	82,481	-	-	32,983
Other related party:						
UAC Foods Ltd	Fellow Subsidiary	-	-	-	226	-
CAP PLC	Fellow Subsidiary	-	-	-	-	-
Grand Cereals Nigeria Limited	Fellow Subsidiary	-	208,874	2,474,207	127,002	-
		192,807	**291,355**	**2,474,207**	**127,228**	**32,983**

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.

29 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.

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

30 Legal claim contingency

There is no contingent liability arising as a result of litigation as at year end (2023: Nil).

31 Financial assets and financial liabilities

31.1 Financial assets

	2024	2023
	₦'000	₦'000
Cash and bank balances (Note 21)	1,190,658	597,257
Trade and other receivables (Note 19)	94,304	280,955

31.2 Financial liabilities

	2024	2023
Financial liabilities at amortised cost	₦'000	₦'000
Borrowing (Note 26)	(13,714,351)	(10,261,726)
Trade and other payables (Note 23)	(4,983,851)	(1,524,655)

Trade and other payables here exclude VAT and withholding tax payable

31.3 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 insignificance of discounting no further fair value disclosures have been made.

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

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

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

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

Financial instruments risk management objectives and policies - (cont'd)

The information below shows the carrying amounts and fair values of financial assets and financial liabilities.

€ 45,657	Carrying Amount ₦'000	Fair Values Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
Financial assets at amortised cost				
Trade and other receivables - Note 19	94,304	-	94,304	-
Cash and Cash equivalents - Note 21	1,190,658	-	1,190,658	-
	1,284,962	-	**1,284,962**	-
Financial liabilities at amortised cost				
Lease liabilities - Note 24	230,917	-	230,917	-
Trade and other payables - Note 23	4,899,417	-	4,899,417	-
Loans and borrowings - Note 6	13,714,351	-	13,714,351	-
	18,844,685	-	**18,844,685**	-

€ 45,291	Carrying Amount ₦'000	Fair Values Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
Financial assets at amortised cost				
Trade and other receivables - Note 19*	280,955	-	280,955	-
Cash and Cash equivalents - Note 21	597,257	-	597,257	-
	878,212	-	**878,212**	-
Financial liabilities at amortised cost				
Lease liabilities - Note 24	-	-	-	-
Trade and other payables - Note 23**	1,483,003	-	1,483,003	-
Loans and borrowings - Note 6	10,261,726	-	10,261,726	-
	11,744,729	-	**11,744,729**	-

* Advance to suppliers are not financial assets and have been excluded from the analysis of the trade and other payables

** Non-financial liabilities such as statutory payables and pension payables have been excluded from the amounts indicated above.

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.

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

Financial instruments risk management objectives and policies- continued

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:

	2024			2023		
	$'000	**€'000**	**£'000**	**$'000**	**€'000**	**£'000**
Financial Assets						
Cash and Cash Equivalent	1,885	379	450	1,925	379	450
Financial Liabilities	-	-	-	-	-	-
Net exposure	**1,885**	**379**	**450**	**1925**	**379**	**450**

The following significant exchange rate were applied during the year:

	Average Rate during the		Reporting date spot rate	
	2024	**2023**	**2024**	**2023**
	₦	**₦**	**₦**	**₦**
US$ 1	1,473.81	648.5	1,538.25	907.1
Euro (€) 1	1,595.03	512.1	1,597.93	994.5
GBP	1,884.92	697.0	1,928.50	1,144.0

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD,EURO and GBP 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.

	31-Dec-24	31-Dec-23
	Decrease in profit or loss	**Decrease in profit or loss**
	₦'000	**₦'000**
USD (20% weakening) (2023: 10% weakening)	(579,920)	(174,617)
EURO (20% weakening) (2023: 10% weakening)	(121,123)	(37,692)
GBP (20% weakening) (2023: 10% weakening)	(173,565)	(51,480)

A 20% strengthening of the Naira against the US dollar, Euro and Great British Pounds would have had the equal but opposite effect to the respective amounts shown above, on the basis that all other variables remain constant.

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 21) on the basis of expected cash flows.

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

Financial instruments risk management objectives and policies- continued

Liquidity risk (cont'd)

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

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

Year ended 31 December 2024

		Contractual cash flows	
	Carrying amount	**Less than 3months**	**3 to 12 months**
	₦'000	**₦'000**	**₦'000**
Trade and other payables	4,983,851	4,983,851	-
Interest-bearing loans and borrowings	13,714,352	9,917,905	3,796,447
	18,698,203	14,901,756	3,796,447

Year ended 31 December 2023

		Contractual cash flows	
	Carrying amount	**Less than 3months**	**3 to 12 months**
	₦'000	**₦'000**	**₦'000**
Trade and other payables	1,524,655	1,524,655	-
Interest-bearing loans and borrowings	10,261,726	-	10,261,726
	11,786,381	1,524,655	10,261,726

Credit risk

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

(i) Risk management

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

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

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

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

Financial instruments risk management objectives and policies- continued

(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.

	2024	2023
	₦'000	₦'000
Cash at bank and short-term bank deposits A+(nga)	1,190,638	597,127
Unrated cash and cash equivalents	20	130
Unrated trade and other receivables	94,304	1,676,581
Maximum credit exposure	**1,284,962**	**2,273,838**

(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 19. 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.

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 customers 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.

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

Financial instruments risk management objectives and policies- continued

Impairment allowance for financial assets (cont'd)

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 matrix:

	Days past due					
31-Dec-24	**Current ₦'000**	**<90 days ₦'000**	**90–180 days ₦'000**	**180–360 days ₦'000**	**>360 days ₦'000**	**Total ₦'000**
Expected credit loss rate	35.01%	59.69%	70.03%	86.53%	100%	
Estimated total gross carrying amount at default	15,875	12,637	-	10,274	75,964	114,750
Expected credit loss	(5,557)	(7,543)	-	(8,890)	(75,964)	(97,954)

31-Dec-23	**Current ₦'000**	**<90 days ₦'000**	**90–180 days ₦'000**	**180–360 days ₦'000**	**>360 days ₦'000**	**Total ₦'000**
Expected credit loss rate	25.49%	57.12%	75.03%	82.04%	100%	
Estimated total gross carrying amount at default	39,108	7,049	5,505	532	113,550	165,744
Expected credit loss	(9,967)	(4,026)	(4,130)	(357)	(113,550)	(132,030)

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

	2024 ₦'000	**2023 ₦'000**
Balance as at 1 January 2024	(132,030)	(144,077)
Expected credit loss write back	-	12,047
Bad debt written off	34,077	-
Balance at 31 December	**(97,953)**	**(132,030)**

32(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	**2024 Number**	**2023 Number**
Direct	62	59
Admin	16	15
Sales & marketing	22	21
	100	**95**

Notes to the Financial Statements - Continued

For the Year ended 31 December 2024

32(i) Staff numbers and costs (cont'd)

	2024 Number	2023 Number
₦500,001-₦600,000	-	-
₦600,001-₦700,000	-	2
₦700,001-₦800,000	-	1
₦800,001-₦1,0000,000	-	7
₦1,000,001-₦1,200,000	1	5
₦1,200,001-₦1,300,000	-	-
₦1,300,001- ₦1,500,000	2	1
Above ₦1,500,000	97	79
	100	**95**

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

	2024 ₦'000	2023 ₦'000
Salaries and wages	1,443,267	570,345
Pension cost	32,485	22,786
	1,475,752	**641,483**

(ii) Emoluments of Non-Executive Directors

	2024 ₦'000	2023 ₦'000
(a) Fees	1,050	1,050
Passage allowance	13,000	13,500
Other emoluments	16,167	8,670
	30,217	**23,220**
(b) The Chairman's emoluments	**3,850**	**3,850**

(iii) Key management compensation

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

	2024 ₦'000	2023 ₦'000
Key management compensation includes:		
Short-term employee benefits:		
Wages and salaries - Managing Director	46,832	43,623
Wages and salaries - Executive Committee Members	120,588	78,358
	167,420	**121,981**

(iv) Other long term employee benefits

The movement in the Company's other long term employee benefits is shown below:

	2024 ₦'000	2023 ₦'000
At 1 January		
Current service cost	208,380	-
At 31 December	**208,380**	**-**
Non-current	208,380	-
Current	-	-
	208,380	**-**

The Company has a 5-year long term incentive plan which commenced with effect from 2024 (year1). The benefit for 2024 has been discounted at 19.99% which represents the interpolated yield on government bonds that are due to mature on 31 December 2026.

Notes to the Financial Statements - Continued
For the Year ended 31 December 2024

33 Technical support agreements

The Company has commercial services agreement with UACN Plc for support services. Expense for management services fee (representing 1% of turnover of the Company excluding intercompany sales to Grand Cereals Limited) is ₦427million (2023: ₦192.8million).

34 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.

35 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.

36 Provision of Audit and non-audit Services

In compliance with FRC Rule No 3 mandating the disclosure of the value and the nature of the audit and non-audit services provided by Company's external auditor, KPMG Professional Services. The Company engaged KPMG for the limited Assurance Engagement performed on Management's Assessment of Internal Control over Financial reporting which is a Non-Audit services. See Note 8(iii) for details.

37 Free Float Compliance

Livestock Feeds Plc with a free float percentage of 26.71% (2023: 26.71%), is compliant with the Exchange's free float requirements for companies listed on the Main Board.

Other National Disclosures

Livestock Feeds Plc-Free Float Computation

Company Name:	Livestock Feeds Plc
Board Listed:	Main Board
Period End:	December 31
Reporting Period:	31 December
Share Price at end of reporting period:	₦4.11(2023: ₦1.85)

Shareholding Structure/Free Float

Description	31-Dec-24		31-Dec-23	
	Units	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	2,999,999,418	100%	2,999,999,418	100%
Substantial Shareholdings(5% and above)				
UAC of Nigeria Plc	2,198,745,772	73.29%	2,198,745,772	73.29%
Total Substantial Shareholdings	2,198,745,772	73.29%	2,198,745,772	73.29%
Directors' Shareholdings(direct and indirect)				
Mr. Joseph Dada	-	-	-	-
Mr. Adebolanle Badejo	-	-	-	-
Mr. Adegboyega Adedeji	-	-	-	-
Mrs. Chiamaka Uwaegbute	-	-	-	-
Mrs.Temitope Omodele	-	-	-	-
Mr Abayomi Adeyemi	-	-	-	-
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	801,253,646	26.71%	801,253,646	26.71%
Free Float in Value	₦3,293,152,465		₦1,482,319,245	

Value Added Statement
As at 31 December

	2024 ₦'000	%	2023 ₦'000	%
Revenue	41,669,570		20,409,702	
Other income	449,555		73,694	
Finance income	148,460		1,244	
	42,267,585		**20,484,640**	
Bought in materials				
- Foreign	(3,567,873)		(11,491,091)	
- Local	(32,110,853)		(7,660,727)	
Value added	**6,588,860**	**100**	**1,332,822**	**100**
Applied as follows:				
Employees				
Salaries and other labour related benefits	1,475,752	22	641,483	48
Lenders				
Interest expense	2,005,806	30	597,945	45
Government				
Company income tax	912,921	15	843	-
Minimum tax	-	-	102,417	8
Retained in the Business				
- Depreciation of property plant and equipment	203,033	3	168,244	13
- Depreciation of right of use assets	4,161	-	-	-
- Amortisation of intangible assets	52,756	1	51,908	3
- To augument/(deplete) reserves	1,934,431	29	(230,018)	(17)
	6,588,860	**100**	**1,332,822**	**100**

Five Year Financial Summary
As at 31 December

Assets	**2024**	**2023**	**2022**	**2021**	**2020**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-current assets	2,437,797	1,348,448	1,102,636	819,612	835,562
Current assets	20,948,245	12,028,018	6,355,069	10,008,123	5,638,578
Total assets	**23,386,042**	**13,376,466**	**7,457,705**	**10,827,735**	**6,474,140**
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
Retained earnings/(Accumulated deficit)	1,191,326	(743,105)	(513,087)	309,131	(120,566)
Total equity	**3,384,670**	**1,450,239**	**1,680,257**	**2,502,475**	**2,072,778**
Liabilities					
Non-current liabilities	439,297	-	-	42,004	-
Current liabilities	19,562,075	11,926,227	5,777,448	8,283,256	4,401,362
Total liabilities	20,001,372	11,926,227	5,777,448	8,325,260	4,401,362
Total equity and liabilities	**23,386,042**	**13,376,466**	**7,457,705**	**10,827,735**	**6,474,140**

Statement of Profit or Loss and Other Comprehensive Income

	2024	**2023**	**2022**	**2021**	**2020**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Revenue	41,669,570	20,409,702	16,410,221	14,640,268	11,179,328
Profit/(loss) before minimum taxation	2,847,352	(126,758)	(781,392)	565,133	546,071
Minimum tax	-	(102,417)	(82,830)	(73,201)	(27,948)
Profit/(loss) before taxation	**2,847,352**	**(229,175)**	**(864,222)**	**491,932**	**518,123**
Taxation	(912,921)	(843)	42,004	(62,235)	(14,936)
Profit/(loss) for the year	**1,934,431**	**(230,018)**	**(822,218)**	**429,697**	**503,187**