FOOD CONCEPTS PLC

2021
ANNUAL REPORT

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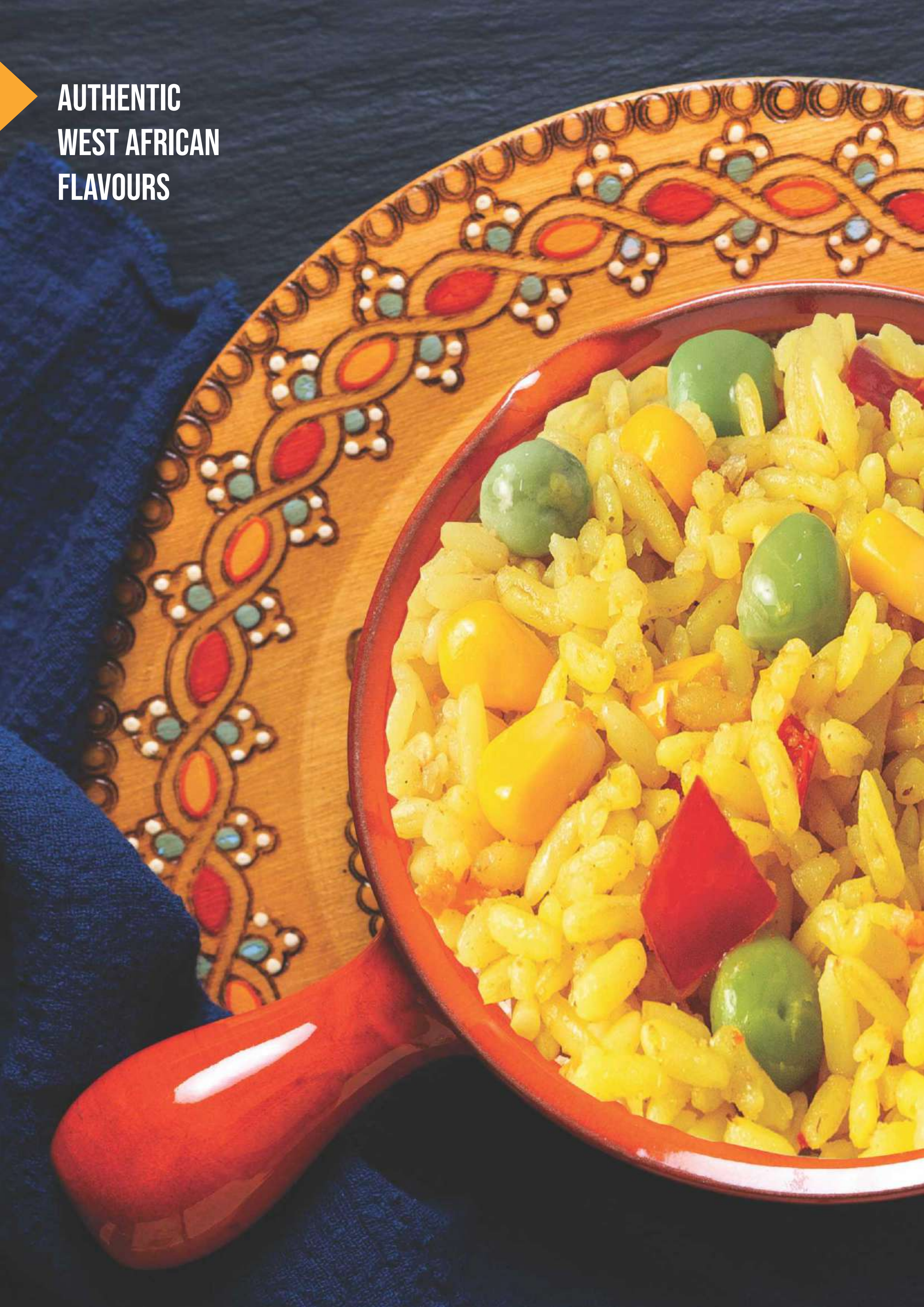
AUTHENTIC WEST AFRICAN FLAVOURS



FOOD CONCEPTS PLC

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CORPORATE INFORMATION

Chairman
Mr. Odunayo Olagundoye

Managing Director
Mr. David Butler (South African) - *Resigned w.e.f. 7 March 2022*
Mr. Kofi Abunu (Ghanaian) - *Appointed w.e.f. 7 March 2022*

Executive Directors
Dr. Anthonia Agbonifo
Dr. Ikenna Okongwu - *Appointed w.e.f. 7 March 2022*

Non Executive Directors
Mr. Babatunde Fajemirokun
Mr. Babacar Ka (Senegalese)
Mr. Marc Stoneham (British)
Mr. Adefolarin Ogunsanya
Mrs. Yemisi Akinbo - *Appointed w.e.f. 29 September 2021*
Mr. Benjamin Dabrah (Ghanaian) - *Appointed w.e.f. 29 September 2021*
Mrs. Runa Alam (British) - *Resigned w.e.f. 29 September 2021*

**w.e.f – with effect from*

Company Secretary / Legal Advisor
Mrs. Josephine Johnson, *ACIS*
2 Ilupeju Bye Pass, Ilupeju, Lagos

Registered Office Address
2, Ilupeju Bye Pass, Ilupeju, Lagos, Nigeria

Registration number
RC 370963

Registrar:
Meristem Registrars & Probate Services Limited
213 Herbert Macaulay Way
Adekunle, Lagos

Independent Auditors
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island, Lagos

TIN: 00671855-0001

Principal Bankers
Access Bank Plc
First Bank of Nigeria Limited
Fidelity Bank Plc
First City Monument Bank Plc
Guaranty Trust Bank Plc
Polaris Bank Plc
Zenith Bank of Nigeria Plc

Solicitors
G. Elias & Co.
6 Broad Street, Lagos

Valuers
Knight Frank
24 Campbell Street, Lagos

COMPANY STRUCTURE

Operations Division

Our Operations Division is responsible for the daily operations of our Chicken Republic, PieXpress and The Chop Box Brands. This division is focused on driving sustainable, year-on-year profitability by growing top-line sales and managing our operational expenses. Our key focus is to: Build strong people capability that enables an enhanced customer experience, with great quality food at everyday affordable prices. We are heavily focused on driving speed of service and creating an environment that is clean, fresh, well-lit and hygienic, whilst applying a disciplined approach to delivering operational excellence.

Shared Services Division

Our Shared Services Division supports every aspect of the business as it focuses on the consolidated performance and strategic positioning of the Organisation and its Subsidiaries. The team is responsible for the management and integration of key functions across other departments including: Finance, Financial Planning & Analysis, Human Resources, Legal, Risk, Process and Compliance, Quality Assurance, IT, Internal Audit, Marketing and Administrative Services. Achieving world class Corporate Governance is about ensuring we do the right things consistently across our rapidly expanding business units, we pride and challenge ourselves continuously as we strive to be "Best-in-class".

Property Development & Franchising Division

Our business is as much about property, as it is about food. Our Property Development & Franchising division is responsible for the acquisition and development of new franchise and company-owned stores, whilst constantly upgrading and maintaining our existing base to brand standards. Our customer needs and competitive environment necessitates the need to constantly evolve our product offerings, manufacturing capabilities and store types. Collectively, these activities contribute to our sustainability and growth as a Company.

Supply Chain Division

Our Supply Chain Division is a multi-faceted, profit centre. It controls procurement, warehousing, manufacturing, distribution, Central Kitchens and Pie Production Units. As we increase our store count and new concepts, the importance of delivering high quality products "On Time and in Full" to our stores across the country becomes more complex, requiring constant evaluation of capacity and capability, whilst navigating the various complexities of distribution. We are fully committed to sourcing local talent, raw materials and produce as we continue to support the Company's growth strategy.

OUR MISSION

To remain relevant as we stretch our limits to go above and beyond to deliver excellent customer experiences, great tasting products and everyday affordable value.

FOOD CONCEPTS PLC

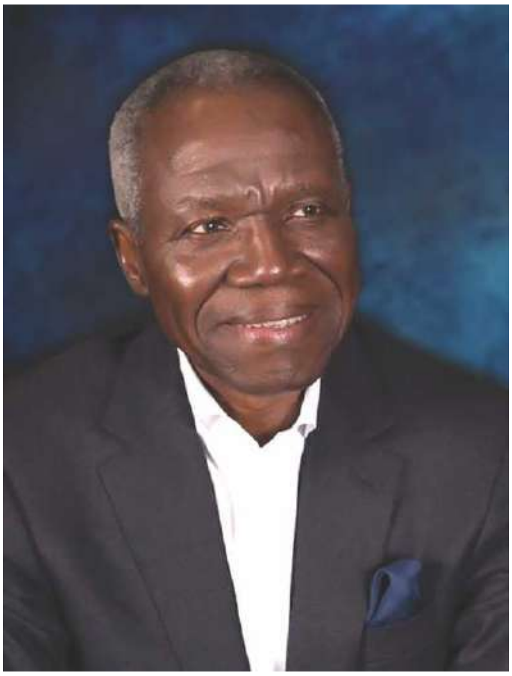
OUR VISION

To be the most loved Quick Service Restaurant and Baked Goods Brands across West Africa.

FOOD CONCEPTS PLC

EXCELLENT FIRMS DON'T BELIEVE IN EXCELLENCE, ONLY IN CONSTANT IMPROVEMENT AND CONSTANT CHANGE

Tom J Peters



Mr. Odunayo Olagundoye
Chairman

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CHAIRMAN'S STATEMENT

Distinguished Shareholders,

It is my pleasure to welcome you to the 20th Annual General Meeting of our Company, Food Concepts Plc and to present to you the Company's Report for the year ended 31 December 2021. I am happy to report that the year was a good year for the Company despite the continued challenges presented by the Covid-19 pandemic. The macroeconomic environment in which we ran our business was and continues to be challenging. Unemployment is high and disposable income is low. The purchasing power of consumers, already dominated by food, which accounts for more than 75% of the spending of low-income earners, and transportation, continues to be eroded by inflation; food inflation continues to rage ahead in view of currency weakness, struggling agricultural production and supply chain challenges. Meanwhile, the unemployment rate, particularly among the demographics that constitute the large part of our market, remains at an extremely high level.

While the year ended with an inflation rate of 15.03 % in Q4, the rates of price increases were even higher in several specific items relevant to our business. The pricing issue has often been blamed on supply chain strictures due to the Covid-19 pandemic, it is likely that there are other reasons including the sources of our imports, the structure of our imports and a constraining monetary policy. With all the market challenges, and limited freedom to increase product prices at the retail level, the company needed to be resourceful. Thankfully, these challenges have only made our management and staff smarter, energised and more nimble.

During the year, new restaurants were opened to bring the total to 234 at the end of the year, setting up a strong service footprint and a competitive base for the future. The employment of 5,000 workers engaged to run the business at this scale, is a major contribution to the national economy.

The management and staff of the Company are to be commended for the robust performance; we are fortunate to have an unparalleled team of skilled and enterprising management who have continued to be smarter, more resilient and energised to navigate the challenges and produce sterling results. On behalf of the Shareholders and the Board of Directors, I thank them.

Investment in our people continues to be a major focus in our Human Resource policies and strategies. These policies and strategies have enabled Food Concepts to meet the demand of our growing network of restaurants and supply chain facilities with ease. In addition, our succession planning has been effective across all management levels. In this regard, on behalf of the Board of Directors, I am incredibly pleased to inform our shareholders that a new Managing Director to succeed Mr. David Butler has been appointed from within the organisation. Mr Kofi Abunu, until now the Divisional Managing Director of Business Development, has been appointed Managing Director of Food Concepts Plc with effect from 7 March 2022. We are confident that Kofi is well equipped to lead the Company's ambitious growth plans.

We are also pleased to announce that Dr. Anthonia Agbonifo, currently Chief Financial Officer/Executive Director has been appointed to the new function of Executive Director, International Finance and Shared Services and Dr. Ikenna Okongwu, Divisional Managing Director, Operations has been appointed to the full Board as Executive Director.

Please join me in congratulating these three top executives of the Company and wishing them success in their new roles.

At this point, I want to thank our outgoing Managing Director and CEO, David Butler for his leadership, vision and passion in building Food Concepts Plc in these past eight years into one of the great retail success stories in Nigeria and in West Africa. David will continue to work closely with the team throughout 2022 to ensure a smooth and seamless transition as well as developing growth strategies for the business within Nigeria and in other West African countries. We wish David all the best in his new position.

The Management team has worked closely together for over eight years and have seen this Company through challenging times. The lessons learnt will stand them in good stead as we move to a post pandemic era, and a time of major changes in many economies in the world.

Food Concepts Plc is well positioned, and the management are equipped to overcome future challenges, seize new opportunities in these new economic realities and move the company toward fulfilling our vision of becoming 'The Most Loved QSR and Baked Goods Brands across West Africa".

We are clear leaders in the Nigerian QSR sector with our Chicken Republic, PieXpress and The Chop Box Brands, and we assure our Shareholders of more exciting years of rapid and profitable growth.

I want to thank my colleagues on the Board of the Company, including the new Directors from African Capital Alliance for the commitment of their time, knowledge and wisdom to the affairs of the Company. Again, I thank the Management team and the staff for their energy, talent, enthusiasm and loyalty.

On behalf of the Board, and the Management, I thank you, our Shareholders, for your continued support. Finally, I thank our growing community of customers for choosing our Brands.

God Bless you all.

Mr. Odunayo Olagundoye
Chairman

MANAGING DIRECTOR'S REPORT

Mr. David Butler
Managing Director

Distinguished Shareholders,

I have had the honour and privilege of being CEO of Chicken Republic and more recently Managing Director and CEO of Food Concepts Plc for just over 8 years. I can say in all honesty that I have been fortunate to learn from some of the most talented, business-minded people I have had the privilege of working with and for.

Our Company, its people and our Brands have transformed and morphed into an entity that is undoubtedly one that we can all be proud of.

I join the Chairman of the Board in congratulating Mr. Kofi Abunu as Managing Director and CEO of Food Concepts Plc effective 7th March 2022. I am sure he will lead our business with pride, passion, courage, integrity, and the much-needed gusto required to succeed, whilst navigating the business through these uncertain times.

In April 2020, whilst preparing my statement for the 2020 Annual report, I stated: "Nothing can ever really prepare one for a global pandemic such as Covid-19". Little did we know of the profound ongoing and rolling ramifications of the pandemic on the world economy and the livelihoods of all its people.

As we expected, the after-effects of the pandemic, its various lockdowns and travel restrictions have changed the way we live and hence the way we do and need to do business in the future. We have seen unprecedented food inflation, driven by global food shortages but also by the continuous devaluation of our currency.

In times like these, one must first find the delicate balance of understanding where, when and at what level it will level out, and second, the impact on consumers' disposable income.
Unfortunately, food inflation has not levelled out and we are still faced with substantial and rolling increases across many food products. These increases significantly affected margins in the 2021 financial year. We were forced to review our pricing strategy multiple times to curtail the constant margin erosion, whilst being mindful of what our customers can afford to spend on food.

In addition to this, we were also forced to review the way we interacted with many of our key suppliers and service providers. During the 2021 financial year, many of our suppliers quickly became cash strapped, as they found themselves unable to continue to produce or pass on the needed increases to stay in business. As we all know, without a strong supply base, no one has a business and we were forced to re-look our payment terms to help keep them in business, which affected our cash flows for the year.

Unfortunately, these inflationary pressures are with us for the foreseeable future. We will need continued focus to gain efficiencies within the business to balance the pressure on our cash flows, customers, and suppliers.

As I end my tenure as Managing Director and CEO of Food Concepts Plc after nearly 9 years in the seat, I am extremely proud of where we find ourselves as a business today. I am also extremely optimistic about the future, despite the local and global challenges that we have and will face in 2022.

I have mentioned frequently in the past that Food Concepts Plc has become a resilient company, having faced many adversities over the years and despite the challenges, we continue to see our sales, customer count and profitability continuously increasing.

Our vision is to be "The most LOVED quick-service restaurant and baked goods brands in West Africa!" and we are now well on our way to achieving this, despite everything that 2021 threw at us.
I am enormously proud of the efforts that went into ensuring that Food Concepts Plc not only survived 2021 and the after-effects felt well into the 2022 financial year but has continued to thrive. Our People grew stronger in the face of adversity with dedication, passion and a "never give up" mentality.

We continued to build on our Brand fundamentals of "Love" for all, especially our staff and our consumers, and they rewarded us with strong cash flows, robust profitability growth and profits that we have continued to reinvest in your business to secure our future success. We have built a solid new store pipeline for 2022, and you will see the results of these efforts in the years to come.
Our staff are motivated, happy, and responding well to the direction set by the Board, Executive and Senior Management Teams.

Financial Performance

We have grown our Same-Store Sales by 50% and our total system sales by 100% to NGN36.4bn and our EBITDA improved by 103% to NGN6.16bn. We closed 2021 with NGN3.9bn of Profit After Tax (PAT) representing an increase of 238%. Our growth continues to be driven both by same-store sales and the expansion of our Chicken Republic and PieXpress Brands.

Despite all the challenges faced in 2021, we have seen a 68% year-on-year increase in customer traffic to our stores, representing a significant gain in market share. We have opened 91 new shops, taking our total to 204 company-owned and 30 franchised locations.

People Capability Always:

I thank Dr. Anthonia Agbonifo, Mrs. Olayinka Ogunleye, Mr. Kofi Abunu, Dr. Ikenna Okongwu, Mrs. Claudette Russell, Mrs. Josephine Johnson, Mr. Olusegun Olukoya and all our staff for their relentless approach to coaching and growing local talent internally.

Developing talent over the past few years, for key roles in the Company today and into the future bore fruit in overcoming the challenges of what could only be described as, "Business unusual …is now… the new business as usual".

We will continue to generate talent internally and reduce any expatriate exposure. We are extremely proud that we have made significant progress in this regard and have reduced the number of expatriates from 11 in 2014 to 1 in 2022.

We will continue to invest time and resources against this objective, as it is the only way to succeed in an ever more competitive environment both at home and for our international expansion.

Staff turnover is another key indicator of whether a company is getting the balance right between driving efficiency, rewarding people on performance and driving a culture of accountability and responsibility. We are pleased to tell you that we have decreased staff turnover from 96% in 2014 to 52% in 2021 and have continued our relentless pursuit of being a gender equal company with a 51% to 49% split in 2021.

Brands Customers LOVE

Our Brands performed well throughout the 2021 financial year; our Brands are in great shape, they are well "Loved!" and well represented across Nigeria and Ghana.

Our team successfully opened 41 new Chicken Republic stores and 44 PieXpress stores in 2021.

Our Brands and our Company, Food Concepts Plc, are now recognised amongst the leading Quick Service Restaurant Brands across West Africa. It goes without saying, we are Proudly Nigerian Home-Grown Brands, which will soon enter the international arena. Our Brands trade seven days a week and 365 days a year from our >250 restaurants across Nigeria and Ghana.

We have continued to expand our PieXpress concept across the country. I am pleased to inform you that we now operate >80 units that often thrive off and complement our already well-established Chicken Republic Brand. PieXpress serves "food on-the-go"; pies, scotch eggs, egg rolls and doughnuts to consumers in high commuter volume locations. I am also extremely proud to inform you that many of our new, freestanding PieXpress concepts are fully powered by solar panels, proving our commitment to the environment and reducing our overall carbon emissions.

Our income from franchise operations grew 57%, reflecting the strength of our Brand and our ability to attract high-quality franchisees, and our improved ability to manage our Brand effectively, regardless of ownership.

Operational Excellence at all levels

As we grow our store count across the country, our ability to execute with discipline and consistency will remain our key differentiator and area of focus. Consumers fall in LOVE with brands that meet their expectations consistently; hence, it is imperative that we remain relevant and stretch ourselves to deliver excellent customer experiences with great tasting, everyday affordable value offerings. Consumers continue to patronise us for fast, friendly service in an environment that is clean, ambient and comfortable.

Many of our stores built over the years were not designed for the high volumes we are experiencing today. It is imperative that our key operational initiatives for 2022 include the continuation of the project to free up our back-of-house capacity.

This will require considerable investment into our Central Kitchens, Pie Production Units and warehousing capacity. In addition, we will focus on building out our backward integration strategy that may include reinvesting in chicken capacity and other critical supplies in an environment where the reliable supply of quality food and packaging products remains a constraint to our future growth.

Looking forward to 2022

We ended 2021 on a high, with record sales and profitability momentum, a trend that has continued into the first week of 2022 but saw a softening for the balance of January and February as consumers felt the impact of inflationary factors and fuel shortages.

We have tabled another aggressive but achievable budget for 2022, a budget that was based on a gradual recovery of the global and local economy, whilst being very cognisant of the various global and local challenges that we can expect.

I state again, "Business UNUSUAL has now become the new Business AS USUAL!" and we need to keep adapting. We expect that inflation, specifically food inflation, will impact significantly on consumer spending power and disposable income will remain pressurised; and to this end, we will continually need to adjust pricing whilst maintaining our "Everyday Affordable Value" strategy.

As we grow as a business, we will continue to apply the same principles we have applied over the past 8 years; being a disciplined, systematic approach to building great looking, profitable brands quickly. In 2022, we plan to open 74 new Chicken Republic stores in Nigeria and 2 in Ghana, whilst continuing an aggressive roll out of 57 PieXpress stores to bring us to >300 stores under the Food Concepts Plc banner by the end of the 2022 financial year.

In closing, I thank you for entrusting me with your continued support as MD/CEO of Food Concepts Plc. I thank you for your understanding and patience as a once very troubled company has started to find its feet. I thank the Board and Executives, and staff for the coaching and guidance that I needed to help me understand this beautiful and very diverse part of Africa. I thank you for some of my fondest memories and the most enjoyable and challenging years of my life.

We now have, and I hand over, a business with unimaginable growth prospects for the future, and I wish you all well for the future.

Thank you and God Bless.

Mr. David Butler
Managing Director

OPERATIONAL FRAMEWORK

CORPORATE GOVERNANCE STATEMENT

Overview

At Food Concepts Plc, our Board of Directors and Management are firmly committed to achieving the highest standards of sound corporate governance. Throughout the group, the principles of fairness, responsibility, accountability and transparency are endorsed and represented. Business integrity and ethics form the very cornerstone of the way we do business with all stakeholders.

We have always adopted a very practical and responsible attitude towards corporate governance and uphold the importance of it being the core of any organisation. With this in mind, the Directors have conducted the leadership of the Company in compliance with best international practices. During the year, the Company complied substantially with the new Securities and Exchange Commission Code of Corporate Governance for Public Companies 2011. We also met the requirements of other good Corporate Governance standards as listed below.

Corporate Governance Framework

Food Concepts is committed to the following corporate governance framework:

- The highest standards of integrity in all dealings with our stakeholders and society at large.
- Carrying-out business through fair commercial competitive practices.
- Trading with customers and suppliers who subscribe to ethical business practices.
- Non-discriminatory employment practices and the promotion of employees to realise their potential through training and development of their skills.

Corporate Governance Manual

The Company has entrenched the Corporate Governance Manual which summarises its key corporate governance policies and provisions. It confirms our commitment to demonstrably lead, adhere to and promote good corporate governance throughout the company. The manual is based on internationally recognised corporate governance principles and practices in order to foster the confidence of its shareholders, employees, investors, and the general public.

The Company's corporate governance framework is broadly based on the principles of Accountability, Fairness, Transparency and Responsibility to all shareholders and other stakeholders.

Code of Business Conduct & Ethics

The Company has entrenched the Code of Business Conduct as a fundamental policy, and this is the yardstick against which we conduct our business. Honesty and integrity inform all that we do, and we conduct all work in accordance with the highest legal and ethical standards. All employees are required to comply with the spirit, as well as the letter of this policy and to maintain the standards of conduct in all dealings.

The Board has adopted a Code of Business Conduct for the Company to:

- Clearly state what is an acceptable and unacceptable practice
- Guide policy by providing a set of ethical corporate standards
- Encourage ethical behaviour of the Board, Managers and employees at all levels
- Guide ethical decision-making
- Make infringements easy to identify
- Promote awareness of, and sensitivity to, ethical issues
- Help resolve conflicts

Board Governance

The Company has a Board of Directors that comprises seven (7) Non-Executive Directors and three (3) Executive Directors. Each Director has the overall responsibility for implementing the Company's strategy.

Board Responsibilities

The Board, inter alia, is responsible for ensuring that the Company operates lawfully and efficiently and that our operations result in value creation for Shareholders and employees.

The Board is also accountable for ensuring the implementation of all decisions taken at Annual General Meetings as well as approving and reviewing corporate strategy, major plans of action, annual budgets and business plans.

In addition, it is the Board's role and responsibility to set performance objectives, monitor implementation and corporate performance; approve major capital expenditure acquisitions and divestments and ensure that ethical standards are established and maintained. A key role is also ensuring that the Company complies with the laws of the Federal Republic of Nigeria, applicable regulations and as far as possible, meets International Best Practices. This at the same time as making sure that statutory and general rights of the Shareholders are protected at all times.

Schedule of Matters Reserved for the Board of Directors:

- Strategy and management
- Board membership and other appointments
- Corporate governance matters
- Policies
- Financial reporting and controls
- Internal controls
- Structure and capital
- Contracts
- Communication
- Remuneration
- Delegation of Authority
- Others

Board Composition and Director Qualifications:

The Board's composition (competencies, skills and appropriate mix) is such that it is adequate for oversight duties, and the development of the Company's direction and strategy. Each member of the Board has the experience, knowledge, qualifications, expertise and integrity necessary to effectively discharge board duties and enhance the Board's ability to serve the long-term interests of the Company and its Shareholders. This includes a broad range of expertise that covers the Company's core business lines, sectors, and includes experienced risk management and financial experts who are non-executive.

Board Appointments, Additions, Induction/Training Processes

The basis for appointing Directors at Food Concepts Plc is based on the requisite qualifications, skills, and the ability to make objective and independent contributions to its governance in accordance with the relevant legal and global requirements.

The Remuneration, Nominations & Corporate Governance Committee is responsible for scrutiny, validation of character and informal interaction with the candidate, after which the suitable candidate is recommended to the Board for appointment. If the Board approves the recommended candidate, they are presented to the Shareholders for election/ratification at the next Annual General Meeting.

Our governance process at Food Concepts Plc provides for the induction and training of Directors who are provided with relevant and appropriate training programmes which equip them for the role.

Board Evaluation Process

In 2020, the Board undertook a formal and rigorous evaluation of its performance, that of its Committees, the Chairman and individual Directors. They completed a specifically designed questionnaire and based on the results of the evaluation, the Board, its Committees and each individual Director recorded very good performance. The results of the Board Evaluation showed that the Board was satisfied with the individual and collective contributions of the Directors, both at Board and Committee levels, in providing strategic direction and support to Management during the year under review. The Board identified areas to focus on with a view to ensuring that the Company continues to deliver on its set goals.

Directors standing for re-election and their biographical details

The following Directors will retire at the next Annual General Meeting and being eligible, offer themselves for re-election:

(I) Mr. Babacar Ka – biographical details outlined on page 32.
(ii) Mr. Adefolarin Ogunsanya – biographical details outlined on page 32.

Board Charter and Committee Charters

The Company has a Board Charter, which provides guidance to members on the operations of the Board, duties and obligations of members. The other charters include the Audit Committee Charter, the Remuneration & Nominations & Corporate Governance Committee Charter, Finance & General Purpose Committee Charter, Internal Audit Charter and Remuneration Policy.

Attendance at Board Meetings

The Board held four (4) meetings during the 2021 financial year. The record of membership and attendance of Directors at Board meetings in the 2021 financial year are presented as follows:

Director	7 Apr	28 Jun	27 Oct	20 Dec
Mr. Odunayo Olagundoye	P	P	P	P
Mr. David Butler	P	P	P	P
Mr. Babatunde Fajemirokun	P	P	P	P
Mr. Runa Alam	P	P	R	R
Mr. Babacar Ka	P	P	P	P
Mr. Marc Stoneham	P	P	P	P
Mr. Adefolarin Ogunsanya	P	P	P	P
Dr. Anthonia Agbonifo	P	P	P	P
Mrs. Yemisi Akinbo	NYA	NYA	P	P
Mr. Benjamin Dabrah	NYA	NYA	P	P

MEETING ATTENDANCE ABBREVIATIONS:
P: Present AWA: Absent with apologies R: Resigned NYA: Not yet appointed

Finance & General Purpose Committee ("FGPC")

This Committee was established to assist the Board in discharging its responsibilities. It is made up of some members of the Board, Shareholders and the executive management of the Company.

The Committee meets to review business processes of the Company, bring judgment to bear on issues of strategy, budgets, performance, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance. It also uses its knowledge and experience to contribute to the formation of policy and decision-making.

Members of the Committee who served during the year are:

Mr. Babatunde Fajemirokun	*Chairman*	
Mrs. Runa Alam	*Member*	*(Resigned w.e.f. 29/09/21)*
Mr. Marc Stoneham	*Member*	
Mr. Adefolarin Ogunsanya	*Member*	
Mrs. Yemisi Akinbo	*Member*	*(Appointed w.e.f. 29/09/21)*

The Committee met four (4) times during the year. The following table shows meeting attendance of the members:

Director	24 Mar	15 Jun	13 Oct	7 Dec
Mr. Babatunde Fajemirokun	P	P	P	P
Mr. Marc Stoneham	P	P	P	P
Mrs. Runa Alam	AWA	AWA	R	R
Mr. Adefolarin Ogunsanya	P	P	P	P
Mrs. Yemisi Akinbo	NYA	NYA	P	P

MEETING ATTENDANCE ABBREVIATIONS:
P: Present AWA: Absent with apologies R: Resigned NYA: Not yet appointed

Audit Committee

The statutory Audit Committee was established pursuant to section /404(7) of the Companies and Allied Matters Act 2020. It consists of three shareholder representatives and two board representatives (both of whom are Non-Executive Directors).

The Audit Committee meets to review the scope and planning of the audit requirements; to review the independence and objectivity of the external auditors as well as the auditors' recommendations on accounting policies and internal controls. It also must ascertain that the accounting and reporting policies of the Company for the year are in accordance with legal requirements and agreed ethical practices.

Members of the Committee who served during the year are:

Mr. Babacar Ka	*Chairman*	
Mr. Adefolarin Ogunsanya	*Member*	
Mrs. Yemisi Akinbo	*Member*	*(Appointed w.e.f. 29/09/21)*
Mr. Peter Eyanuku	*Member*	
Mr. Mohammed Salau Adebanjo	*Member*	
Mr. Kassim Laiyenbi	*Member*	*(Appointed w.e.f. 28/07/21)*

The Committee met four (4) times during the year. The following table shows meeting attendance of the members:

Director	24 Mar	15 Jun	13 Oct	7 Dec
Mr. Babacar Ka	P	P	P	P
Mr. Adefolarin Ogunsanya	P	P	P	AWA
Mrs. Yemisi Akinbo	NYA	NYA	P	P
Mr. Peter Eyanuku	P	P	P	P
Mr. Mohammed Salau Adebanjo	P	P	P	P
Mr. Kassim Laiyenbi	NYA	NYA	P	P

MEETING ATTENDANCE ABBREVIATIONS:
P: Present AWA: Absent with apologies R: Resigned NYA: Not yet appointed

Remuneration, Nominations & Corporate Governance Committee (RemNomCo)

The Remuneration, Nominations & Corporate Governance Committee is a combined Committee, now known as "RemNomCo". This Committee meets to evaluate and determine compensation policies, including level and form, for all corporate and divisional officers and certain employees, and to recommend compensation for Non-Executive Directors. The forum is also used to advise senior management on policy and strategy regarding succession planning and the development and retention of senior executives and management teams, as well as handling other matters as required.

The Remuneration Committee periodically reviews and makes recommendations to the Board concerning the level and form of compensation of Non-Executive Directors, remuneration policy for the Directors, Company Secretary and other senior executives. In addition, they make recommendations for the introduction of new share incentive plans or major changes to existing plans to Shareholders for approval.

The Committee's recommendation, which is discussed and evaluated by the full Board, is based on both an assessment of best practices of other companies and particular circumstances of this Board.

Changes in Board compensation, if any, must be approved by the full Board.

The Committee also meets to make recommendations to the Board on all matters concerning corporate governance and directorship practices, including the development of corporate governance guidelines, evaluation of the board, committees and individual directors, identification and selection of new board nominees, and oversight of the company's policies relating to social and environmental issues.

Recommendations regarding changes to the structure, size and composition of the board; ensuring adequate succession planning for the board and senior management; recommendations for appointments to the board, the appointment of the Chairman of the board; appointment of non-executive directors including independent directors, membership and chairmanship of board committees. The Committee shall also undertake a review of the company's overall corporate governance arrangements and receive reports on the views of the company's shareholders.

The Committee met three (3) times during the year under review. The Members of the Committee who served during the year were:

Mr. Marc Stoneham	*Chairman*	
Mr. Babatunde Fajemirokun	*Member*	
Mr. Adefolarin Ogunsanya	*Member*	
Mrs. Runa Alam	*Member*	*(Resigned w.e.f. 29/09/21)*
Mr. Babacar Ka	*Member*	
Mr. Benjamin Dabrah	*Member*	*(Appointed w.e.f. 29/09/21)*

The following table shows meeting attendance of members of the Committee:

Director	25 Mar	23 Jun	10 Dec
Mr. Marc Stoneham	P	P	P
Mr. Babatunde Fajemirokun	P	P	P
Mr. Adefolarin Ogunsanya	AWA	P	P
Mrs. Runa Alam	AWA	AWA	R
Mr. Babacar Ka	AWA	P	P
Mr. Benjamin Dabrah	NYA	NYA	P

MEETING ATTENDANCE ABBREVIATIONS:
P: Present AWA: Absent with apologies R: Resigned NYA: Not yet appointed

Statement of Risk Management & Control Environment Practices

The Company strives to maintain sound management control frameworks to ensure the integrity of its operations and provide assurance to its shareholders and stakeholders.

The Company places great importance on risk management and it is the Board Strategy, Investment and Risk Management Committee that is tasked with ensuring that appropriate risk management systems are established. The Company also places significant importance on internal control and its Board is charged with ensuring the Company has an effective framework of internal control. The Company has an internal auditor that provides assurance to the Board through the Audit Committee as to the effectiveness of the Company's internal controls. The Company has an active compliance function that ensures proper compliance with all applicable external laws and regulations as well as internal codes and policies. The compliance function monitors activities of the Company and its staff to ensure compliance and report to senior management and the Board regularly.

Conflict of Interest

All the Company's Directors and employees are expected to act ethically at all times and to acknowledge their adherence to the Company's Code of Business Conduct. Directors and employees are to abstain from actions that will or may lead to a conflict of interest or potential conflict of interest with the Company. The Board members may not be involved in jobs or activities that compete with the Company's activities and those that conflict with the Company's interest.

Communications Policy

The Board recognise the need to communicate and disseminate information regarding the operations and management of the Company to all relevant stakeholders (including Shareholders, regulatory authorities, and the general public) and therefore, the Company has in place a Communications Policy in accordance with the requirements of the Securities & Exchange Commission. The Company produces a detailed Annual Report and Financial Statements. Information on the performance of the Company and other major corporate information is available to the stakeholders in particular and the public in general on the website of the Company www.foodconceptsplc.com. The website contains our Annual Report and Financial Statements.

Shareholders' Participation

The Company is committed to promoting shareholders' rights and takes necessary steps to ensure the same. The Board and Management significantly benefit from the contributions of the shareholder representatives of the Audit Committee and the contributions of shareholders at Annual General Meetings.

Whistleblowing Framework

The Company has a whistleblowing system in place called, "Tip Off Anonymous". This provides an avenue for employees and third parties dealing with the Company to report concerns about any suspected misconduct which may arise from the violation of laws and regulations, the Company's Code of Business Conduct or the various policies, rules, standards and procedures under which the Company operates. By creating the Tip Off Anonymous channel (a safe, secure and confidential channel of communication) and an effective reporting system, the Company believes that it can promote a positive work environment.

Inclusion & Diversity Policy

Food Concepts is committed to developing and embedding inclusion and leveraging diversity to create value in a fast-changing and complex environment, which positively impacts our employees, customers and suppliers. We are one of the most advanced gender equality businesses of our size in the industry.

We remain committed to the support of grassroot entrepreneurs and take a hands-on approach geared towards assisting budding entrepreneurs. We are passionate about creating an inclusive environment which caters to differences and fosters inclusion and equity through our core values of Love, Ownership, Value, Execution and Drive. Our employees are made up of male and female from various parts of the country. Every employee is given equal opportunity for promotion purely based on merit.

Bribery & Corruption

We condemn any form of bribery and corruption. Our employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

Statement of Compliance (Nigerian Code of Corporate Governance 2018)

We hereby affirm that the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance (NCCG) 2018 govern the operations of the Company and confirm that to the best of our knowledge, we are substantially in compliance with the Codes. The Board is fully committed to complying with the principles enshrined in the Codes.

BOARD EVALUATION REPORT

MAIORA

Per Aspera Ad Maiora
Pursuing Excellence through Effort

Maiora International
Suite 8c Normanby Gateway
Lysaghts Way
Scunthorpe DN15 9YG, UK
E:janhavi@maiorainternational.com

11 May, 2021

INDEPENDENT BOARD EFFECTIVENESS APPRAISAL ON THE BOARD OF DIRECTORS OF FOOD CONCEPTS PLC FOR THE YEAR ENDED DECEMBER 31, 2020.

Maiora International, a global governance and board evaluation company registered in UK (Maiora) was engaged by Food Concepts Plc ("FCL") to carry out a board effectiveness appraisal of the Board of Directors for the year-ended December 31, 2020 in line with global best practices on Corporate Governance and a corporate governance toolkit that consolidates global best practice and is tailored to the nature and size of the Food Concepts PLC.

The appraisal entailed a review of the Board and Board Committee's through a questionnaire, rigorous one to one interviews and observations of Board meetings.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we interviewed the board members on the Company's corporate governance structures, policies and processes against corporate governance toolkit which encompasses global Best Practices as well as regional Codes and regulations and considered the following key corporate governance themes:

A. Board structure and functioning;

B. Corporate culture and behaviour;

C. Control environment and processes;

D. Disclosure and transparency; and

E. Shareholder and wider stakeholder practices.

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Subsequent to the conclusion of the board effectiveness appraisal, we confirm that the Board and Company have substantially improved their Board and committee systems, processes and composition to bring about significant change. In our opinion, the Board and individual Directors have shown commendable commitment to enhancing the FCL's growth, developing, and monitoring corporate strategy to achieve sustainable growth.

We have noted a few areas requiring the attention of the Board which have been detailed in our full report. The Board understands the issues around composition and thinking ahead on succession and have given assurances that they are considering. However, the reasons for this and ways to improve have also been detailed in the full report and are to some extent explained by the history, nature and context of the business. We are encouraged that the Board members cooperated fully, dedicated time and understood the need to address the issues despite the challenges that COVID and business environment has presented over the last year.

Particular mention should be given to the fact that we observed that the FCL Board has been successful in turning around business and instilling better governance frameworks over the last few years. The CEO is well-respected, the business has a clear vision and objectives and the Board has developed good relationships, processes and dynamics with a respectable balance of challenge and trust. The interactions between the executives and non-executives demonstrate there are robust discussions and alignment on strategy so should be well placed to address the issues raised in the report.

Yours faithfully,

JDadarkar

For Maiora International
Name:...JANHVAVI DADARKAR.........................
CEO

ISO MANAGEMENT SYSTEM CERTIFICATIONS

Dear Mr. Olawuyi

Congratulations! Your organization's management systems (ISO 9001: 2015; ISO 14001:2015 and ISO 45001:2018) has been certified by SMG management systems Certification Body.

You now possess an invaluable edge in the marketplace, and we want to help you promote that fact.

At SMG we believe in innovation, raising security & control, and always be part of the latest solutions.

Due to the worldwide COVID-19 restrictions SMG was required to introduce some adjustments as part of our business continuity plan in order to maintain providing you with our services at its best.

Our certificates started to be issued as of March 15th 2020 electronically and will be controlled and marked with a QR code instead of a hologram seal.

You will be able to easily scan the QR code placed on your certificate in order to verify it online.

We thank you for having us as your partner and we want to assure you that we will continue to provide uninterrupted services.

At SMG we would like to wish you and the entire organization health and safety.

Best Regards,

Olasunkanmi Oyanju
SMG Country Representative

Certificate of Registration

The Management System of:

Food Concepts PLC

2, ILUPEJU BYE-PASS, ILUPEJU, Lagos, Nigeria

Operates an

Occupational Health & Safety Management System

Which complies with the requirements of

ISO 45001:2018

This certificate is applicable for:

PROVIDING READY TO EAT CHICKEN PRODUCTS (BURGER, SANDWISHES & MEALS)

EA Code: 30
Certificate of registration No: NG-[illegible]-OHSMS

Initial Certification Date: 08 May 2021
Certificate Issue Date: 10 May 2021
Certificate Expiry Date: 07 May 2024

SIGNATURE

Yevgeniya Mikheyeva
Operations Manager

Certificate of Registration

The Management System of:

Food Concepts PLC

2, ILUPEJU BYE-PASS, ILUPEJU, Lagos, Nigeria

Operates an

Environmental Management System

Which complies with the requirements of

ISO 14001:2015

This certificate is applicable for:

PROVIDING READY TO EAT CHICKEN PRODUCTS (BURGER, SANDWISHES & MEALS).

EA Code: 30
Certificate of registration No: NG-[illegible]-EMS

Initial Certification Date: 08 May 2021
Certificate Issue Date: 10 May 2021
Certificate Expiry Date: 07 May 2024

SIGNATURE

Yevgeniya Mikheyeva
Operations Manager

Certificate of Registration

The Management System of:

Food Concepts PLC

2, ILUPEJU BYE-PASS, ILUPEJU, Lagos, Nigeria

Operates a

Quality Management System

Which complies with the requirements of

ISO 9001:2015

This certificate is applicable for:

PROVIDING READY TO EAT CHICKEN PRODUCTS (BURGER, SANDWISHES & MEALS)

EA Code: 30
Certificate of registration No: NG-[illegible]-QMS

Initial Certification Date: 08 May 2021
Certificate Issue Date: 10 May 2021
Certificate Expiry Date: 07 May 2024

SIGNATURE

Yevgeniya Mikheyeva
Operations Manager

Food Concepts is proud to share that all certifications obtained prior to 2021 have been updated. In addition, we achieved the following certifications in 2021:

1. Lagos State Occupational Safety & Health Certification for 45 Chicken Republic and 30 PieXpress stores
2. NAFDAC Certification for Good Hygiene Practices (GHP) for 47 Chicken Republic outlets
3. Akwa Ibom State Certificate for Most Environment Friendly Eatery

SUSTAINABILITY REPORT

Corporate Social Responsibility is a culture and an attitude that is central to our way of doing business. Food Concepts has always believed that we have a responsibility to support the communities and environments in which we operate and that we must do our part to impact them positively.

In 2021, we remained focussed on the following key areas:

- The Sickle Cell Foundation of Nigeria (SCFN)
- Employment & skills development
- Diversity and the empowerment of women
- Human rights & inclusive business practice
- Consumer protection
- Positive impact on the environment
- Animal welfare

The Sickle Cell Foundation of Nigeria (SCFN)

Food Concepts has always supported individuals living with the Sickle Cell disease. In 2021, we teamed up with the Sickle Cell Foundation of Nigeria (SCFN) once again to create awareness for this challenging genetic disorder.

Employment & Skills Development

Food Concepts employed over 5,000 people at the end of 2021 and indirectly, over a thousand more, by building new stores, revamping existing stores and developing new products to cater for the needs of our consumers. All these activities require local resources and home-grown talent that continue to take part in the local economy benefitting local communities. We aim to have opened 500 stores by the end of 2023, which will see us advance our employment capacity to over 9,000 people in Nigeria.

"People Capability Always" is at the heart of all we do. We seek to recognise the true potential of each employee early and to train and promote our employees within the business. Our Training and Development department continues to support our people to grow their capacity in their current role and for promotional opportunities.

Diversity & The Empowerment of Women

We actively encourage employment of women in our Company. In 2021, three of our four Senior Management appointments were women, all of whom were developed internally. We continue to lead the industry as being one of the most advanced gender equality businesses of our size with the employment of > 54% female employees and 50% of our Executive Team is female.

Food Concepts continues to advance the employment of women in our business.

Inclusive Business Practices

As supply chain professionals, we understand our importance in driving sustainability, as this has become one of the top metrics in tracking the health of the business. Our response in both the short and long term has a lasting impact on sustainability.

Our Supply Chain is guided by the following principles:

- The highest possible quality and food safety
- Competitive market prices
- Leveraging local sourcing strategies to gain a competitive advantage

We source all our materials locally, and to ensure responsible sourcing, we identify suppliers with the right management, technology, and social responsibility to produce our quality meals. Our suppliers are spread across the length and breadth of the country.

They understand our quest to drive sustainability and we continue to work together to ensure fair and ethical business partnerships and drive sustainability in all spheres of our business relationships. We are equally proud of our deliberate efforts to support local SMEs, which positively impacts our local communities.

Our goal is to onboard new suppliers and partner with small and medium-scale businesses that are domiciled in new territories that we go into. To ensure that our supplier/vendors align with our values and business practices, we require them to sign and certify the supplier/ sub-contractor terms and conditions form that address issues. These include Child and Forced-labour, Food Safety, Health and Safety, Quality, Environmental Performance and Business Integrity among others.

In our quest to drive environmental sustainability through the reduction of single plastic use, we have introduced paper packaging to produce cups for vending ice cream in all our stores.

Consumer Protection

Food Concepts Plc is a world-class company. The preparation and sales of safe ready-to-eat food with customer satisfaction as our top priority. We also ensure our staff, contractors and other relevant parties are safe while carrying out their jobs, and measures are put in place to eliminate or reduce the negative effects of our activities on the environment.

ISO Management Systems

ISO22000:2018 is the latest certification, based on a Food Safety Management System (FSMS) that can be awarded to any organisation in the food chain – from farm to fork.

The adoption of a "Food Safety Management System" is a strategic decision for any organisation, as it drives constant improvement and addresses the risks associated with its objectives.

In 2019 Food Concepts Plc (Chicken Republic Ilupeju, Lagos Central Kitchen, Pie Production Unit and Warehouse) received their first ISO Certification – Food Safety Management System (ISO 22000: 2018). In 2020 we received a certificate of continuity after a successful surveillance audit by the certification body (AQC Middle East LLC).

An additional five Chicken Republic stores in Lagos were certified to ISO 22000:2018, which include Opebi, Gbagada, Idimu, Freedom Way and Awolowo 1.

Once again, in 2021 we were issued a certificate of continuity for the Food Safety Management System (ISO 22000:2018) and an additional three ISO Management Systems were added to our ISO Certification cart namely Environmental Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001:2018), and Quality Management System (ISO 9001:2015) as an Integrated Management System.

Good Hygiene Practice (GHP) Certificates

In 2021, 43 Lagos and four Kwara Chicken Republic stores were certified by NAFDAC, the apex food and drug agency in Nigeria, for the Good Hygiene Practice (GHP) programme.

Lagos State Safety Commission Certificates

As further commitment to high occupational practices within the business, 45 Chicken Republic stores and 30 PieXpress stores in Lagos received certificates of compliance on Occupational Health and Safety Standards from the Lagos State Safety Commission.

Positive Impact on the Environment

At Food Concepts we continue to look for ways to reduce our carbon footprint, and the use of renewable energy is being promoted in most of the stand-alone PieXpress stores. As of December 2021, we have 17 PieXpress stores operating with solar energy systems.

In October 2021, Chicken Republic was awarded as the most environmentally friendly eatery by the Akwa Ibom State Ministry of Environment and Solid Minerals in recognition of our environmentally positive culture. Finally, we have begun an active investigation into the use of more sustainable packaging solutions for all our Brands.

Energy and Resources Optimisation

To improve our energy efficiency and environmental sustainability, we have started different measures to optimise energy consumption, resource efficiency, and waste conservation. These include:

- Construction of Effluent Treatment Plant which helps improve the quality of waste-water being discharged into the environment.
- Construction of Bio Digester: A bio-digester system is now being used in our Agungi Chicken Republic store to help degrade the liquid waste to a safe and environmentally friendly liquid.
- Installation of Generator Synchronisation Panels which helps to improve and optimise energy usage optimisation and reduces GHG generation.

Animal Welfare

Food Concepts is committed to supporting locals and will only purchase poultry from reputable companies that operate within the guidelines of the various Local and Federal Government organisations.

Looking Ahead

The Future is now! As a business we understand the urgency to shift the way in which business is done. Now more than ever, we are committed to having a positive impact and will do our part to create a future to look forward to.

OUR PEOPLE

People Capability Always

2021 continued to be a challenging year in the aftermath of the Covid-19 pandemic where many people and business settled into adapting to a new normal modus operandi in Nigeria and around the world.

Our people remained a priority as we continued to adopt practices to ensure 'safety first' such as provision of masks and sanitisers as well as, working from home arrangements and the utilisation of technology for online meetings and training.

With a strong infrastructure and the resilience of our people, we were able to open an additional 41 Chicken Republic Stores, 44 PieXpress Stores as well as 4 Pie Production Units. This enabled us to positively impact the labour market by employing an additional 2,000 people across Nigeria.

We remain focused on our business growth plans and by 2023 we plan to have over 500 stores, directly employing over 9,000 people in Nigeria and Ghana. We are fully committed to ensuring that we remain a gender balanced company and that at least 4,000 employees will be from the women and youth pool, which are both underrepresented in the formal labour market today.

Food Concepts has continued to advance the employment of women in our business. In 2021 we celebrated International Women's Day with the announcement that Food Concepts Plc achieved 2X status through the European Investment Bank (EIB) and the 2X Challenge – Financing for Women. This demonstrated a recognition of our commitment to unlocking gender balanced opportunities at all levels of our business (View our achievement: '2x Challenge Financing for Women Initiative – Food Concepts Plc YouTube')

We continue to lead the industry as being one of the most advanced gender equality businesses of our size with the employment of > 54% female employees of which 50% of our Executive Team is female.

To continually focus on rewarding our people and ensure that we retain key talent and attract new talent, in 2019 we embarked upon a review of our compensation structure. We engaged the services of Deloitte to carry out a job evaluation and compensation review to understand our market position. In 2021 we implemented a new job levelling structure aligned with compensation more relevant to today's labour market. The business is committed to continually reviewing compensation and benefits to ensure we reward our people and enable continued business growth.

Internal development of our people is key to our aggressive expansion and new store roll-out plan. The OMEGA Development Programme has been instrumental in training and developing our people to ensure they are well prepared for promotion into management roles.

We are committed to growing our talent internally and in 2021 we developed, appointed, and promoted 248 internal people to positions as follows:

- 10 Area Managers
- 36 Restaurant Managers
- 93 Assistant Managers
- 27 PieXpress Supervisors
- 70 Shift Managers
- 12 Support Office Managers

In addition, we were able to impact the labour market by recruiting and training 382 Graduate Trainees into management roles in our stores.

The Company has continued to focus on reducing labour turnover and has seen a dramatic improvement over the past few years from 96% in 2014 down to 52% in 2021.

The insecurities and challenges of travelling in Nigeria, particularly outside our stores opening and closing times, continue to impact our labour turnover. However, our improvement in labour turnover is driven by strategies that include:

- Ensuring that we recruit the right people locally.
- Ensuring salaries are paid on time and in full.
- Providing training and PPE equipment to keep our people safe while at work.
- Providing more opportunities to train and develop our people into new roles.

In 2021 the following key appointments were made:

- Senior Manager, Financial Reporting (Female)
- Senior Manager, Marketing
- Internal Promotion - Regional Manager
- Internal Promotion - Senior Manager, Human Resources (Female)
- Internal Promotion - Senior Manager, Procurement (Female)
- Internal Promotion - Senior Manager, Warehouse & Distribution (Female)

2022 and beyond

People Capability Always is key to driving the strategic growth of the business. We continue to train and develop our people to their maximum potential through the OMEGA Development programme. To support our stores, we will be trialling the introduction of a new role, Store Support Officer, to support the management team with administrative and stock management tasks so that they can focus on driving business performance and delivering great service to our customers.

We will be extending our portfolio of management training modules to include 'Developing Great Leaders 2 & 3' as well as introducing new workshops 'Managing Our People' and 'Outstanding Service Every time'. We are also committed to Executive and Senior Management development including sponsorship of MBA and Executive Management programmes, 1:1 Coaching and strategic leadership development. Our Gender Balancing strategy will continue to support and drive female development into middle management and senior management roles.

Our values

L **LOVE**
We are passionate, relevant, caring, respectful and committed.

O **OWNERSHIP**
We act with integrity and take pride in ourselves, our company and country.

V **VALUE**
We add value to everyone and in everything we do.

E **EXECUTION**
Execution is what we do best

D **DRIVE**
We take initiative and push forward to exceed expectations and achieve our goals.

BRANDS customers LOVE

taste the love

From our humble beginning in Lagos in 2004, the Chicken Republic brand story is one of many twists and turns. With that said, we have always remained true to our passion and that is to share our food with people that LOVE our soulfully spiced chicken meals, flavoured with our unique blend of authentic West African herbs and spices.

We are a proudly home-grown brand and we choose to spread the LOVE to all our customers through our committed staff, as we continue our quest to let everyone TASTE THE LOVE. We deliver value to our customers, staff and shareholders by ensuring a clear focus on three key performance indicators which include: People Development, Sales Growth & Profit Growth and Operational Excellence.

2021 HIGHLIGHTS

Opened 47 new stores (41 Company-owned & 6 Franchise stores) including our first international franchise in Tamale, Ghana.

Increased our footprint to 25 states.

Recognised as #1 QSR in Nigeria & as the "Most Environmentally Friendly" restaurant in Akwa Ibom.

Doubled our online sales, with spikes in sales as high as 60% due to online marketing.

The PieXpress Brand offers freshly baked products to customers on the move, who desire convenient, quality food at a price that satisfies both their "belle" and their pocket. Nigerian consumers love flavour profiles and food types that resonate within their day-to-day lifestyle. The nostalgia associated with pies and pastries makes this a fast-moving category that is profitable and well loved by all age groups. PieXpress is a cost efficient and profitable Brand concept that leverages economies of scale via better utilisation of our real estate (i.e. sharing key locations with Chicken Republic allow us to "sweat our assets". Low set up costs make this an attractive franchise offer and stores can be easily moved from one location to another if the market dynamics change or are not optimal.

It is no secret that to truly win in Africa is to win at the base of the pyramid. Every day, tens of millions of Nigerian consumers buy traditional meals from informal eateries around the country.

Research studies strongly indicate that consumer demand for traditional Nigerian meals is high. And, we also know that these same consumers, regardless of their income or social status, are highly aspirational and have a strong propensity toward iconic, world-class brands.

The Chop Box, is Food Concepts' response to meeting these demands head-on.

2021 HIGHLIGHTS

Opened 44 new stores.

Grew footprint to 8 states.

Expanded our Renewable Energy Solutions to 17 stand-alone stores.

Built 5 new Pie Production Units and expanded existing facilities in Port Harcourt & Abuja.

OPERATIONAL REVIEW

Following the Covid-19 pandemic in 2020, 2021 continued with management of the pandemic through Covid precautionary measures and travel restrictions across borders. With the roll-out of vaccines to reduce the impact of the Covid-19 infection on the populations, we had hoped for the further relaxation of restrictions through the year. However, we were hit by the new Omicron variant, which resulted in some tightening of borders across the world, temporary travel restrictions and the "almost" imposition of Covid-19 vaccinations in a few countries. This clearly had a major impact on the economies of nations, even though most economies improved when compared to 2020.

Armed with our learnings from 2020 which included the resilience of our Brands, our people, and our business model; we entered 2021 quite confident that we would meet and execute our strategic goals despite the unknown challenges that were ahead for our business. Increasing inflation and challenges pertaining to the sourcing of raw materials and forex, had a direct negative impact on our top line sales and bottom line, however, our relentless passion for operational performance and executional excellence resulted in many successes for the 2021 financial year.

The Nigerian economy, as with the global economy, continued to take further strain into and throughout 2021. The disposable income of the average Nigerian continued to shrink, and this resulted in them making a deliberate choice in their individual spending including their "out-of-home" fast food purchases.

As with inflation, many of Nigeria's challenges rolled over year-on-year with worsening power supplies, increased power and fuel prices, major transportation issues, rental increases, rising food inflation and a significant increase in unemployment. In addition, several competitors and businesses that experienced major financial strain in 2020 believed that 2021 offered a ray of hope, but they struggled to grow month-on-month sales through the year.

Throughout the 2021 financial year, our Chicken Republic and PieXpress Brands stayed focused on what we do best, delivering Operational Excellence and satisfaction to our customers and the front-line service departments. We continued to drive our sales growth through people development, grass root marketing, improving operational standards, driving speed of service, product quality and product availability.

Despite the various challenges faced in the Nigerian and global economies through 2021, we had another successful year which we are proud of. Chicken Republic, PieXpress and The Chop Box Brands, under the umbrella of Food Concepts Plc, continued to invest and further grow our position in West Africa as a 'World Class Brand through a clear focus on great/targeted execution and a relentless drive for success'.

We delivered 41 new company-owned stores across the country including new cities like Owerri, Onitsha and Enugu. We also expanded our operations in Port Harcourt, Ilorin, Ibadan, and Lagos, bringing our total number of company-owned Chicken Republic Restaurants to 128. Alongside these new store openings, we opened 44 new PieXpress stores which focused on delivering great quality food and on-the-go snacking products to our customers at affordable prices, bringing our total number of PieXpress units up to 75.

We will continue to focus on the growth of the Brands through Nigeria and Ghana in 2022.

Despite the challenges going into 2021, we were clearly focused on driving and executing our Operations Strategy with added focus on our ecommerce platforms and enhancing our online marketing, to strengthen and retain our market leading status in and across Western Africa underpinned by our key performance indicators which include:

- People development
- Customer focus
- Shareholder satisfaction

Looking Ahead

We are looking forward to a more normal trading environment in 2022, despite the rollover of a year that can best be described as "An easing Tsunami" (destruction already done with the hope of recovery).

We continue to reenergise our teams to drive our 2022 Operations Strategy, with a clear and targeted focus on People Development, Operational Excellence and Financial Discipline as follows:

1. Beat budgeted sales and grow YOY sales

- Grow Transactions – Grow peak-time sales through accurate sales forecasting, speed of service and world-class customer hospitality
- Ensure online YOY sales growth through improving speed of service and ensuring consistent product availability
- Roll-out The Chop Box Brand

2. Beat budgeted GP cash and grow YOY GP cash

- Own and grow the value meal chain in the QSR (Quick Service Restaurant) sector
- Separation of food and paper cost for the GP analysis to drive food and paper stock efficiency
- Drive product of the month competition

3. Beat budgeted EBITDA cash and grow YOY EBITDA cash

- Documented CCTV reviews
- Continue the "War on Theft" and now "War on Product Quality issues"
- Price Changes/Price Massage

4. Drive operational excellence as the leader across QSR Brands

- Work with our HR partners to drive quarterly sectional recertification
- Drive Operational Audits above targets
- Work with our QA partners to develop and implement detailed cleaning programme and process

5. People Capability and Development

- Annual KPIs (Key Performance Indicator) with quarterly reviews
- Build management bench plan for new stores and future vacancies
- Area Manager – Success Routines

Despite the roll over challenges of the last couple of years and with the impact of 2021 itself, we as an Operations Team remain committed to deliver strong sales and consistently improve profitability for our business. We will continue to be proud that "Execution is our differentiator", and this will be ingrained across our business units as we strive to excel and consistently deliver on our vision of becoming "The Most Loved Fast Foods and Baked Goods Brands in West Africa".


chicken republic


collect


pieXpress

PROPERTY DEVELOPMENT & FRANCHISING DIVISION

FOOD CONCEPTS PLC

Another year is upon us with great hope and ambition. As always, the business has taken each challenge in its stride and executed its development goals, showing record-breaking revenues, best-in-class quality store builds, ensuring brand standards continue to improve and taking business to the next level of profitability and all this was done despite the ongoing:

- Covid-19 restrictions - impacting global supply chain and as such affecting lead-times to receive key assets
- Insecurity in the country - restricting movement
- Inflationary pressures - driving set-up costs
- IPOB and more.

As the Managing Director rightly stated in his address, 'Business unusual has now become business as usual'.

Nevertheless, the Property Development & Franchise division 'pushed' to deliver on the business targets for the 2021 year. We closed the year with 47 new Chicken Republic Stores (41 Company-owned stores and 6 Franchise stores) and 44 PieXpress stores, increasing our footprint across Nigeria and Ghana, taking the total number of stores to 234. Food Concepts' Brands are now operational in 25 States across the country and our footprint continues to grow.

With teamwork and strong leadership, our expansion plans have delivered our first international franchise store in Tamale, the northern region of Ghana. With the support of the franchise department, we executed the training of the team and the franchisee in this region has plans for two more stores by Q4 of 2022.

Capacity improvements and building the right infrastructure to support the business will always be an essential part of our strategy, especially with the rapid growth of the PieXpress Brand. We successfully built and opened five Pie Production Units (PPU) in Akwa Ibom State, Kwara State, Kaduna State, and two more in Lagos State (Lagos Mainland & Lagos Island). In addition, we expanded both Pie Production Units in Port Harcourt and Abuja and built a regional warehouse to service the South-South & Eastern Region of Nigeria.

The efficiencies gained from 2020, during the Covid-19 challenges have ensured strong controls in managing our operational expenses, through savings on travel etc. and not allowing the infrastructural challenges of the market to impact our expansion strategy.

PieXpress has become an iconic brand in Nigeria. Three years into operation, we have rolled out both stand-alone and co-location sites attached to the Chicken Republic Brand. We are now represented in eight states of Nigeria and will look at three more states in 2022. We look forward to the continuous growth of PieXpress across the country.

Now three years into our 5-year plan, moving forward into 2022, our plan is to ensure we have the capacity to meet our strategic objectives.

Property Development & Franchising Strategy

Our 2022 strategy remains in the following key strategic focus areas:

- Rapid, profitable growth across the Brands.
- Developing the Chicken Republic Brand internationally for other West African countries outside Nigeria.
- Franchise Support – Support Franchisees with training and performance reviews, operational excellence, marketing activities and audits.
- Effective Stakeholder communication with project meetings, project tracker spreadsheets and action logging.
- Bulk purchase of assets in Q1 2021 enhanced savings with the continuous devaluation of the Naira and we have adapted the same strategy for 2022.

Looking Ahead

- Develop a franchise strategy for PieXpress that enables owner operators to manage a structured business model with less capital requirement than that of a Chicken Republic.
- Review new technology to enhance efficiency within our operations and ensure our sustainability strategy looks not only at being friendly to the environment but also savings on our operational expense lines.
- Property Management remains key to our business success. Where possible, we continue to purchase and ensure we only enter strict lease agreements to reduce the risk of habitual increases in lease terms.
- Strategic purchasing – fine-tune the modalities of bulk purchases with key suppliers securing key/quality assets, whilst taking advantage of this strategy to stem incessant price increases due to currency depreciation and global supply chain challenges.
- Increase our attention to sustainability and developing a growth strategy to help make sustainability a reality, including renewable energy and effluent treatment plants.

In conclusion, we have an experienced development team who are passionate about delivering our numbers and have remained resilient throughout the years. In 2022, we will continue to focus on our expansion and look to implement strategies to overcome both the macro-economic and infrastructural challenges in the country.

SUPPLY CHAIN DIVISION

SCD Operations

In 2021, a perfect storm of extenuating factors converged on the global supply chain impacting stock availability and putting pressure on local supply chains. This generated fear, instability, and panic across the board. The problems were rooted in the Pandemic-related restrictions which disrupted global supply chains causing shortages of goods.

In the year under review, several factors such as pent-up demand, soaring international shipping costs, growing cargo wait times, reduced labour force and production shortages from manufacturers, continued to plague the global supply chain. Nigeria was not immune to these, and our own peculiar challenges exacerbated the situation to frightening proportions.

The economic and business environment became more challenging as organisations continued to grapple with a range of international business challenges ranging from fluctuating exchange rates to the ever evolving international business landscape.

Supply Chain Division

The Supply Chain Division is driven by its unrelenting quest to keep our stores well stocked. Our Brands, Chicken Republic, PieXpress and The Chop Box continually enjoy the compelling competitive advantage of being supported by the Logistics, Warehousing, Central Kitchen and Pie production facilities.

Our 'leagile' strategy focussed on achieving flexibility and competitiveness in a cost-effective manner, allows us to shape an appropriate profile to successfully face the volatility of markets and fight to gain competitive advantages and propels the Division to continuously support store operations. This is borne out of the fact the success of any fast-food outlet is dependent on the availability of stock items.

Our centralised Supply Chain model provides a level of comfort and a guarantee of timely supply of quality products, at prices that are mutually beneficial to all stakeholders in the value chain.

Like the saying goes, 'there is strength in numbers', and we are able to drive better bargaining with the sheer number of stores under our brands and increasing volumes growth. The consistent performance over the years has elevated us to 'Customer of choice' with our suppliers. We leverage our size to the fullest by enjoying economies of scale through discounts as we purchase in large quantities thereby reducing our costs and maximizing our profit margins.

We continue to impact our local economy positively, as we support and partner with local suppliers in each new location we enter. As a proudly Nigerian business, we continue to support our local economy by ensuring that all products used in our system are produced and /or sourced through local Nigerian based suppliers.

To maintain our high-quality standards, as our operations expand and our demand increases, the Procurement team, in conjunction with the Quality Assurance team, continues to drive a comprehensive supplier approval process.

This requires all products to pass our quality standards and ensures that our supplier's manufacturing processes and facilities pass our on-site food safety inspections.

Our franchisees also enjoy the benefits of our scale as they purchase their requirements solely from suppliers who have been approved by Food Concepts Plc. These suppliers must meet or exceed strict quality control standards, and they must possess adequate capacity to supply our restaurant system reliably.

As highlighted in the Sustainability Report, we were issued a certificate of continuity for the Food Safety Management System (ISO 22000:2018) and an additional three ISO Management Systems were added to our ISO Certification cart namely Environmental Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001:2018), and Quality Management System (ISO 9001:2015) as an Integrated Management System.

As we grow our footprint across the Country and our operations continue to expand, so does our distribution network. We distribute products to company-owned stores, franchisees and other third parties from our three distribution centres located in Lagos, Abuja, and Port Harcourt. We use a two-pronged distribution model that enables us to deploy company-owned and third-party trucks to meet the needs of the respective stores.

Pie Production Facilities

The growth in our Pie Production facilities across Nigeria has been phenomenal, driven majorly by PieXpress. Chicken Republic and other key FMCG customers. The PieXpress Brand is well perceived as it is guided by the 'AVA' strategy of availability, visibility, and affordability. As our business expands, we will continue to invest in our manufacturing capacity to cater for the needs of both our Chicken Republic & PieXpress Brands, as well as upcoming brands.

2021 heralded in the opening of four new Pie Production Units to support the existing six. These facilities are in Lagos (Opebi & Ajah), Akwa Ibom (Uyo), and Kaduna (Kaduna) states, respectively. In all, there are 10 Pie Production Units spread across the country.

The existing Pie Production Unit in Port Harcourt (Rivers State) has been expanded to support the increasing volume demand from new and existing Chicken Republic stores, PieXpress stores and the third-party customers in the state.

Our 2022 plans are to roll out these facilities in other states to strengthen our current and future business expansion plans.

Central Kitchen

Our Central Kitchen operation in Lagos is responsible for the blending of our Authentic West African spice blends for all our Chicken Republic stores and Pie Production facilities. Our spices are locally procured and manufactured, and this facility produces all the requirements for our Chicken Republic and PieXpress Brands in Nigeria and Ghana.

The Central Kitchen allows us to fully protect our secret recipes and intellectual property, which is of paramount importance to the business. These spices are used in the preparation of Chicken Republic Soulfully Spiced meals and PieXpress sweet and savoury snacks.

As we continue to grow across western Africa, the importance of consistency of flavour and heat levels will become increasingly crucial, and our Central Kitchen allows us to showcase and preserve this consistency for future generations to enjoy.

The Ilupeju Central Kitchen supplies our Lagos based stores with frequent deliveries of fresh vegetables. Continued investments in refrigerated distribution vehicles and deployment of these vehicles across Lagos has enabled us to cope with increasing volume growth in the existing and new stores. In addition, Central Kitchen now supplies Ibadan and Ilorin PPUs to support their operations in these cities and ensure product availability at the PieXpress stores. The stores in Abuja and Port Harcourt will enjoy similar benefits to that of Lagos, as the Central Kitchen units in these locations become fully operational in 2022.

2022 Focus Areas

Our focus in 2022 is to consolidate and build on Food Concepts' supply chain capacity. As the business continues its growth trajectory to spread across Nigeria and West Africa, the Supply Chain Division must be well equipped to cope with the increasing demand from new and existing stores.

Our thrust is to invest in key infrastructure in pie production, central kitchen, warehouse, logistics and distribution facilities. The backward integration strategy in the Supply Chain is expected to deliver the following benefits: reduce stores back-of-house complexity, enhance product quality and uniformity, lower operating costs, and enhance product standardisation.

SHARED SERVICES DIVISION

The Shared Services division is the bedrock of the organisation and continues to focus on the consolidated performance of the organisation, its subsidiaries, and related entities. The division continues to provide the requisite support to the business and other divisions and ensures the achievement of the overall objectives of maximising profitability through sales growth and reduced costs. The division is responsible for driving the overall company strategy summarised in the budgets, forecast and business plans and ensures the monitoring and achievement of the Company's overall strategy.

The Shared Services division is responsible for raising capital, generating investment income through effective treasury operations and the effective management of working capital to support the business strategy, growth plans and the smooth operation of the business. The division ensures that proper risk management procedures are in place within the organisation to identify and manage the risks in the business and that policies, controls and procedures are in place to ensure that the organisation's overall objectives are met.

Shared Services is responsible for new product development, management of the Company's information technology, quality assurance, ensuring regulatory and legal compliance and ensures that the company's products are effectively communicated through marketing activities to third parties. The division consists of the following departments.

Finance

The Finance department is responsible for all financial activities within the organisation from data gathering, analytics to the submission of tax returns and other regulatory filings, the enforcing of financial tracking, discipline and accountability, inventory management, fundraising and generating investment income. The department manages relationships with financial institutions, ensures vendor payments, and the invoicing of franchisees and customers. It works with tax authorities, financial advisors and investors on tax audits, due diligence and other ad-hoc reviews and manages the Company's fixed assets.

Financial Planning and Analysis (FP&A)

The FP&A department is responsible for the preparation of annual budgets, business plans and monthly forecasts to drive business performance and cashflows. It performs investment appraisals for new stores, remodels and other new projects. The department provides pacesetter reports, product mix reports, cost of sales reports, financial analysis and trends to guide product pricing and scenario modelling for new products and promotions. The department performs Group valuation, monitoring of share price & earnings per share and assesses acquisition opportunity valuations. It performs Group financial modelling and alignment with 5-year plan, prepares inputs for the Board and board committee packs and engages in special projects execution and ecommerce monitoring.

Admin

The Admin Department is responsible for a variety of key activities within the organisation. These includes general cleanliness, adequate insurance, travel arrangements, travel cost management, company vehicle management, store and head office security, office space allocation/optimisation and the procurement of office furniture.

Risk, Process, Controls & Compliance

This department works with business process owners across stores and departments to ensure that risks are identified, tracked in the risk register and managed. It develops controls and documents systems and processes. It manages the internal control and compliance within the organisation. The department works with EXCO to develop policies and provides quarterly risk reports to the Board. The department also provides the second level of defence for the organisation.

Quality/ HSE

The Quality department enhances quality, environmental, health and safety support coverage across all stores and departments within the organisation. It enforces internal compliance and liaises with vendors to conduct inspections aimed at ensuring third party compliance. The Quality department also works with food regulators including NAFDAC, ISO and other statutory compliance bodies relevant to the food industry. It is also responsible for fire safety awareness, food safety awareness and training, as well as periodic medical screening of all food handlers, operational staff and staff in other production units.

The department engages in new product development, testing, analysis and quality control. It also provides training on critical parameters and tools to aid in quality checks at both stores and department levels and ensures cost savings through product and process improvements.

IT

The IT department is responsible for the ERP system and ensures that the system delivers on the objectives of the organisation. The department also provides disaster recovery plans and works with procurement to procure hardware, software and internet connectivity, whilst carefully managing system requirements, hardware specifications and costs. IT maintains an effective helpdesk to ensure a high response rate whilst providing IT support and training to our stores and departments. It is also responsible for the security of all company systems via the implementation of gateways and antivirus systems.

Legal

The Legal department is responsible for legal and other related regulatory compliance, managing regulators and minimising regulatory costs. The department drafts, reviews and enforces contractual agreements, whilst protecting the Company's interests. It defends the company in litigation and drives the recovery of long outstanding receivables from defaulting partners. Our Legal department minimises litigation costs by engaging in alternative dispute resolution, where possible, and protects our Brands through trademarking and brand rights registrations.

It provides corporate governance direction for the Company and addresses the requirements of the Securities and Exchange Commission (SEC) and the Financial Reporting Council of Nigeria (FRCN) in relation to corporate governance. The Legal department ensures that board meetings, board committee meetings, AGMs, EGMs are properly planned and effectively carried out and is responsible for taking minutes of board and board committee meetings. It is also tasked with the preparation and production of the Company's Annual Report.

Marketing

The Marketing Department is responsible for the strategic development of the Company's Brands and for the design and development of new product and consumer brands. The team develops and implements brand guidelines and ensures the effective deployment of brand building programmes across touchpoints and platforms designed to increase brand equity.

The Marketing department works on the design and execution of integrated marketing campaigns that elevate brand awareness and drive customer engagement in a manner that increases transactions, improves margin and results in high levels of brand loyalty and brand advocacy respectively. The department also develops and manages strategic brand partnerships. It is responsible for the development of consumer insights, customer feedback/service channels and for Internal Brand Engagement, Customer Relationship Marketing and Corporate Social Responsibility programmes.

Internal Audit

The Internal Audit department is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. The head of this department reports directly to the audit committee of the Board to maintain its independence. The internal audit department helps the organisation to accomplish its objectives in a systematic and disciplined manner aimed at evaluating and improving the effectiveness of risk management, control and governance processes. The department partners with management on special audit assignments and assists with the assessment and training of the Internal Control and Compliance unit. It performs independent reviews and assists budget/process owners to achieve their objectives through partnership and by identifying and mitigating against risks that could limit the achievement of objectives.

Looking Ahead

In 2022, the Shared Services Division will focus on the automation of some manual processes, improve user experience on SAP and ensure IT Security awareness. We will continue with our strategy of cost minimisation through enhanced reviews, improved controls, more aggressive negotiations, and partnerships. We will continue to focus on risk management, process improvements and independent reviews to ensure that the business objectives are met. We will continue with our strategies for revenue growth including the introduction of new products and the improvement of our marketing campaigns to increase profitability and our brand community growth. We will continue to raise funds, manage working capital and minimise finance charges. We will continue to comply with Covid-19 guidelines, legal, SEC and other regulatory requirements. We will also sustain our ISO certifications and expand the scope of our certifications. We will continue to ensure that our people are trained and equipped with the right skills to excel on their jobs. The division remains dedicated and committed to assist the business meet and exceed the targets for 2022 and beyond.

FOOD CONCEPTS PLC

EXECUTIVE TEAM

Food Concepts is managed by a young, dynamic and highly-focused team, with experience that spans business management, food operations, people management, supply chain management, marketing and financial management.

Their hard work, skill and dedication helps to drive our mission and deliver on the Food Concepts vision: **To be the most loved quick service restaurant and baked goods brands across West Africa**

The following were the Executive Team in 2021.

Mr. David Butler
Managing Director

Mr. Kofi Abunu
Divisional Managing Director – Business Development

Dr. Anthonia Agbonifo
Executive Director/Divisional Managing Director-Shared Services

Dr. Ikenna Okongwu
Divisional Managing Director – Operations

Mrs. Claudette Russel
Human Resources Director

Mrs. Olayinka Ogunleye
Divisional Managing Director – Supply Chain

Mrs. Josephine Johnson, *ACIS*
Company Secretary & Legal Adviser

Mr. Olusegun Olukoya
Head, Internal Audit

BOARD OF DIRECTORS

The Board of Directors of Food Concepts consists of a group of successful and high-ranking professionals. The Board has demonstrated a strong commitment to the Company and to the realisation of its business objectives. The Board of Food Concepts consists of ten (10) Directors, with three (3) Directors in an executive capacity.

Mr. Odunayo Olagundoye
Non-Executive Chairman

A banker by profession, Odunayo was the pioneer Managing Director/Chief Executive Officer of Chartered Bank Plc., and a former Managing Director of National Bank of Nigeria Plc (2000 - 2003). Prior to that, he was the General Manager/Chief Credit Officer of International Merchant Bank Plc (1975 - 1987). He holds a first degree in Engineering from Massachusetts Institute of Technology ("MIT") (1969) and a Masters' degree from the prestigious MIT Sloan School of Management (1974). He is currently the Chairman of Quantum Capital Management.

Mr. David Butler
Managing Director (Resigned 07/03/22)

David has garnered over 20 years' experience in the QSR industry in over 5 countries. David started his career in Pick 'n' Pay Hypermarkets and has since held various managerial positions in Nando's Restaurants, YUM! Brands International and KFC. In 2014, he became the Managing Director of the Company and has led the Company to its current position, one of the leading, top 3 (by market share of revenues) Quick Service Restaurants in Nigeria, and one of the most-respected and up-market brands in the industry.

Mr. Kofi Abunu
Managing Director (07/03/22)

Kofi has over 28 years international experience in management roles in the food and hospitality industry having previously worked with global brands such as McDonald's (UK), Nando's, Steers (Ghana), and Innscor West Africa Limited (operators of multi-brand food court). He was head of Operations with their partnership with Exxon Mobil managing the 'On the Run brand'. Kofi started with Food Concepts in 2007 as a GM for the Chicken Republic Brand. Over the years, he has operated in several African countries including Nigeria, South Africa & Ghana. His most recent appointment was from Divisional Managing Director - Business Development to Managing Director/CEO Food Concepts Plc which took effect from 7 March 2022. Kofi has a BA in International Business and Marketing from University of London [1997] and CIM UK [1998].

Mr. Marc Stoneham
Non-Executive Director

Marc leads the portfolio management team at DPI, a leading African private equity firm with over $1.5bn under management, serving 17 portfolio companies across North, West, and Southern Africa. He is a Board director of CMGP – Morocco's leading drip irrigation and agricultural services company and Food Concepts, Nigeria's leading QSR business, and sits as an observer on multiple Boards across the portfolio. Prior to DPI, Marc worked at McKinsey & Company serving African and other emerging market clients across multiple industries and functions, with a focus on natural resources. Prior to McKinsey, Marc worked in private equity at Actis and Kingdom Zephyr, and for Accenture strategy consulting. He has lived and worked across Africa including many years in Nigeria and Egypt.

Mr. Babacar Ka
Non-Executive Director

Babacar is an investment principal at Development Partners International LLP with 20 years of finance and investment experience spanning private equity, debt investing and equity research. Prior to DPI, Babacar worked at Standard Bank Group in the UK and was an investment analyst in the Global Transaction Team at the IFC in Washington DC. Babacar holds a Bachelor of Science in Business Administration and Finance from the University of California (2003), Riverside, and an MBA from the University of Oxford (2010).

Mr. Adefolarin Ogunsanya
Non-Executive Director

Adefolarin is an investment professional at Development Partners International LLP with over 15 years of experience in investment banking and private equity. Prior to DPI, Folarin was an investment professional at Helios Investment Partners and an investment banker at Credit Suisse in New York. Adefolarin has a BSc (Hons) in Computer Engineering from NJIT (2007) and an MBA in Finance and Entrepreneurial Management from The Wharton School, University of Pennsylvania (2014).

Dr. Anthonia Agbonifo
Executive Director

Anthonia is a Chartered Accountant with over 20 years of experience in auditing, accounting, treasury, risk management, IFRS, finance, Sarbanes Oxley review, processes, and advisory services across numerous industries. Anthonia is an Institute of Chartered Accountants of Nigeria ("ICAN") prize winner and has attended numerous local and international training courses on leadership, management, taxation, auditing (IFRS, Nigerian & US GAAP), team management, Sarbanes Oxley, controls and is also a skilled facilitator. Anthonia is a graduate of accounting from Yaba College of Technology, she has an MBA with merit from the University of Liverpool UK and a Doctorate award from the European American University. She is a fellow chartered accountant (FCA), a fellow of ICA (FICA), a fellow of IMC (FIMC), a member of IOD and a member of NIM. She holds a Diploma in IFRS from ACCA and has served on two key committees of the board of ICAN i.e. PPMC for five years and MAC for one year. Anthonia worked with Akintola Williams Deloitte and Pricewaterhouse-Coopers in senior management functions. Anthonia joined Food Concepts Plc as the Group Chief Financial Officer in 2014 and is also the Divisional Managing Director of the International Finance and Shared Services Division.

Dr. Ikenna Okongwu
Executive Director

Ikenna is currently the Divisional Managing Director – Operations of Food Concepts Plc. He graduated as a Medical Doctor and has more than 25 years' experience in the QSR industry, 18 of those in the United Kingdom and The Republic of Ireland. He worked as an Area Coach and Human Resources Manager in the United Kingdom with Yum Restaurants International (KFC) and as the Head of Operations in the Republic of Ireland with MBCC Foods Ltd (KFC Franchisee). In addition, Ikenna worked with KFC Nigeria as the Operations Leader prior to working with Food Concepts Plc. He was instrumental and led the growth of MBCC Foods in Ireland, and the turnaround and growth of the Food Concepts business in Nigeria. Ikenna holds a Bachelor of Medicine & Bachelor of Surgery (MBBS) from the University of Jos (1991), Post Graduate Diploma in Human Resources from the Thames Valley University (2001) (now University of West London) in London, a Master's in Management (MiM) from the Smurfit Business School in the University College Dublin Ireland (2011) and is currently doing an MBA through the Henley Business School Africa affiliated with the University of Reading. Ikenna served on the Board of Food Concepts Pioneer Limited and is a member of the Chartered Institute of Personnel Development, London.

Mr. Babatunde Fajemirokun
Non-Executive Director

Babatunde is an Executive Director, Group Managing Director and CEO at AIICO Insurance Plc; a leading financial services group in Nigeria. Mr. Fajemirokun joined AIICO Insurance Plc, Life Insurance Division, as CIO in May 2009, and was responsible for value-enhancing projects in its maiden growth strategy, business process and technology transformation projects. Prior to AIICO, he worked with Accenture, Lagos (2003-2007) and then Capgemini Consulting, UK (2008-2009). In both roles, he provided consulting/advisory services to financial services and Government clients predominantly in mergers and acquisitions and then United Kingdom government transformation programmes. Babatunde is a Chartered Insurer (ACII) and has an MBA in Finance from University of Chicago Booth School of Business (2013), a Business Information Strategy Master's degree (dist.) from University of Strathclyde (2002) and a Bachelors' degree in Business Economics from Glasgow, UK (2000).

Mrs. Yemisi Akinbo
Non-Executive Director

Yemisi is a seasoned finance and investment professional with over 20 years' experience in banking, asset management and private equity. She is currently a Principal at African Capital Alliance (ACA) where she is responsible for overseeing investments in the consumer goods sector. At ACA, she was previously the Head of the Investor Management and Fund Administration function. Prior to joining ACA, Yemisi worked with the First City Group, a leading financial services group in Nigeria. Yemisi has a BSc. degree in Accounting from the University of Lagos (1999) and an MBA from the London Business School (2015). She is also an Associate of the Institute of Chartered Accountants of Nigeria.

Mr. Benjamin Dabrah
Non-Executive Director

Ben is a dynamic, results-oriented business leader with over 20 years' experience in banking, consulting, and private equity. He is currently an Operating Partner at African Capital Alliance (ACA) where he leads their internal transformation projects as well as overseeing value creation across the company's investment portfolio. Prior to joining ACA, Ben worked in multiple C-suite roles with several reputable international organisations including McKinsey, Barclays, Standard Chartered and Standard Bank in several African countries, and the UK.

FOOD CONCEPTS PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors have the pleasure of presenting to the members of Food Concepts Plc ("the Company") and its subsidiaries (together "the Group") their report, together with the consolidated and separate audited financial statements and the independent auditor's report for the year ended 31 December 2021.

Incorporation and Address

Food Concepts Plc was incorporated on 6 December 1999 with RC number- 370963 as Food Concepts & Entertainment Limited and commenced operations in 2000. The Company was converted from a private limited liability company into a public limited liability company and the Company's name was subsequently changed to Food Concepts Plc by a Special Resolution dated 10 May 2009. The Company is situated at 2, Ilupeju Bye Pass, Ilupeju, Lagos, Nigeria.

Principal Activity

The principal activities of the Group and the Company are the provision of restaurant services, bakery and confectionery products.

State of Affairs

In the opinion of the Directors, the state of the Group and the Company's affairs is satisfactory, and no event has occurred since the reporting date, which would affect the financial statements as presented.

Result for the year

	THE GROUP		THE COMPANY	
	2021	**2020**	**2021**	**2020**
	₦ million	**₦ million**	**₦ million**	**₦ million**
Chicken Republic Brand -Global				
Revenue inclusive of Franchisee	40,153	20,022	39,994	19,884
Less: Intercompany sales	(5)	(4)	-	-
Less: Revenue attributable to Franchisee	(4,020)	(2,020)	(4,020)	(2,020)
	....	....	....	....
	36,128	**17,998**	**35,974**	**17,864**
Add: Revenue from Franchisee	249	159	249	159
	....	....	....	....
Revenue	**36,377**	**18,157**	**36,223**	**18,023**
	======	======	======	======
EBITDA*	**6,166**	**3,035**	**6,153**	**3,043**
	======	======	======	======
Profit before minimum taxation	5,219	1,630	5,279	1,501
Minimum tax	(92)	(46)	(92)	(46)
	....	....	....	....
Profit before income tax	5,127	1,584	5,187	1,455
Income tax	(1,226)	(430)	(1,226)	(430)
	....	....	....	....
Profit after taxation	**3,901**	**1,154**	**3,961**	**1,025**
	======	======	======	======

* EBITDA have been adjusted for one-off income and non - recurring expenses.

Property, Plant and Equipment

Information relating to changes in property, plant and equipment during the year is given in Note 18 to the consolidated and separate financial statements.

Dividend

The Directors have recommended the payment of dividend of N0.04 per share for the year ended 31 December 2021 (2020: Nil).

Directors

According to section 285 (1) of the Companies & Allied Matters Act 2020, and in line with the provisions of the Articles of Association, one third of the directors must retire at the Annual General Meeting and may offer themselves for re-election. Accordingly, Mr. Babacar Ka and Mr. Adefolarin Ogunsanya will retire at the forthcoming Annual General Meeting and being eligible, hereby offer themselves for re-election.

Section 385 (2) of the Companies & Allied Matters Act 2020 respectively state 'The directors' report shall state the names of the persons who, at any time during the year, were directors of the Company. They are as follows:

- Mr. Odunayo Olagundoye - *Chairman*
- Mr. David Butler (South African) - *Managing Director - Ceased to be a director w.e.f. 7 March 2022*
- Mr. Lanre Fabunmi - *Ceased to be a director w.e.f. 28 April 2021*
- Mrs. Runa Alam (British) - *Ceased to be a director w.e.f. 29 September 2021*
- Mrs. Yemisi Akinbo - *Appointed w.e.f. 29 September 2021*
- Mr. Benjamin Dabrah (Ghanaian) - *Appointed w.e.f. 29 September 2021*
- Mr. Babatunde Fajemirokun
- Mr. Babacar Ka (Senegalese)
- Mr. Marc Stoneham (British)
- Mr. Adefolarin Ogunsanya
- Dr. Anthonia Agbonifo

Shareholdings

The issued and fully paid share capital of the Company as at 31 December 2020 was beneficially owned as follows:

	2021 Number	%	2020 Number	%
ADP II Holdings 12 Ltd	14,564,939,088	55.0	12,049,956,557	45.5
Lugacy 1 Limited	8,250,041,027	31.1	-	-
ADP 1 Holdings 9	-	0.0	9,680,872,937	36.5
Food Concepts International Limited	504,411,973	1.9	2,693,970,305	10.2
Retail investors	1,892,943,335	7.1	1,430,224,383	5.4
DF Holdings	1,284,551,798	4.9	641,863,039	2.4
	26,496,887,221	**100**	**26,496,887,221**	**100**

Shareholding Analysis

The issued and fully paid share capital of the Company as at 31 December 2021 was beneficially owned as follows:

Range	No. of Holders	Holders %	Units	Unit %
1 - 1000	123	13.33%	61,215	0.00%
1001 - 5,000	55	5.96%	136,164	0.00%
5,001 - 10,000	17	1.84%	124,135	0.00%
10,001 - 50,000	53	5.74%	1,611,285	0.01%
50,001 - 100,000	46	4.98%	4,435,667	0.02%
100,001 - 500,000	356	38.57%	128,162,246	0.48%
500,001 - 1,000,000	136	14.73%	127,681,705	0.48%
1,000,001 - 5,000,000	98	10.62%	242,560,961	0.92%
5,000,001 - 10,000,000	14	1.52%	118,547,305	0.45%
10,000,001 - Above	25	2.71%	25,873,566,538	97.65%
	923	**100%**	**26,496,887,221**	**100%**

In September 2021, Lugacy 1 Ltd acquired 8,250,041,027 shares from ADP 1 Holdings 9, the remaining balance of 1,430,831,910 shares was transferred to ADP 11 Holdings 12 Ltd. Following the disposal of FCIL shares, 57,314,380 shares were transferred to Mr Olagundoye which accounts for the increase in his direct interest from 170,272,856 shares to 227,587,236 shares.

Shareholding and Substantial Shareholders

According to the register of members as at 31 December 2021, the following have more than 5% shareholding in the Company:

Name	Holdings	%
Lugacy 1 Limited	8,250,041,027	31.14%
ADP II Holdings 12 Ltd	14,564,939,088	54.97%
Total	**22,814,980,115**	**86.11%**

The Directors' interest in the paid-up share capital of the Company is as follows:

	2021 (Direct)	2020 (Direct)
Mr. Odunayo Olagundoye	227,587,236	170,272,856
Mr. David Butler*	-	79,687,500
Mrs. Anthonia Agbonifo*	1,000,000	52,819,901

*Direct holding of the Company's shares via the Restricted Stock Unit Plan (RSUP), a share-based payment scheme which vested in 2018. See Note 26.3.

The Directors' interest in the paid-up share capital of the Company is as follows:

		2020 (Indirect)	2019 (Indirect)
Mr. Odunayo Olagundoye	Food Concepts International Limited	-	9,314,379
Mr. Marc Stoneham	ADP I Holding 9	-	9,680,872,937
Mr. Babatunde Fajemirokun	DF Holdings Limited	1,284,551,798	1,284,551,798
Mr. Babacar Ka	ADP II Holdings 12	14,564,939,088	12,049,956,557

Directors Interests In Contracts

None of the Directors has notified the Group and the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020, of any disclosable interest in contracts with which the Group or Company is involved as at 31 December 2021 (2020: Nil).

REPORT OF THE DIRECTORS (cont.)

HUMAN CAPITAL

Employment of Disabled Persons
The Group and the Company give full consideration to applications for employment from disabled persons where such person can adequately fulfil the requirements of the job. Where existing employees become disabled, it is the Group and the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate. The number of physically challenged persons in employment as at the reporting date was 6 (2020:5).

Employee Involvement and Training
The Group and the Company are committed to keeping employees fully informed as far as possible regarding the Group and the Company's performance and progress and seeking their views wherever practicable on matters, which particularly affect them as employees. Training is carried out at various levels through in-house and external courses. Management, professional and technical expertise are the Group's and the Company's major assets. The Group and the Company continuously invest in developing such skills.

Health, Safety at Work and Welfare of Employees
Health and safety regulations are in force within the Group and the Company's premises and employees are aware of existing regulations. The Group and the Company provide subsidy to all employees for medical, transportation, housing and lunch.

Going Concern
Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of approval of these financial statements.

Events After Reporting Period

Liquidation of Express Food Franchise International (EFFI)
The Directors commenced discussion on the liquidation of one the Company's wholly owned subsidiaries, Express Food Franchise International (EFFI) during the year. Subsequent to year end, the Company's application to strike-off EFFI from the register of companies was approved by the Registrar of Companies, Mauritius in March 2022. All assets and liabilities of EFFI consolidated in the Group financial statements therefore represent the fair value of the subsidiary as at 31 December 2021.
There are no other events after the reporting date that could have material effect on the Group's and the Company's financial statements that have not been adequately provided or disclosed in these consolidated and separate financial statements.

Format of Financial Statements
The consolidated and separate financial statements have been prepared in accordance with the reporting and presentation requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the provisions of Companies and Allied Matters Act 2020, and the requirements of Financial Reporting Council Act No. 6, 2011. The Directors consider the format adopted the most suitable for the Group and the Company.

Remuneration of Key Management Personnel of the Company required to be disclosed by the Companies and Allied Matters Act 2020 (CAMA)
Section 257 of Companies and Allied Matters Act (CAMA), 2020 provides that the disclosure of the remuneration of the managers of a company should be an item under the ordinary business at an annual general meeting. Based on the definition of "manager" in the Companies Regulations 2021, we hereby disclose that the remuneration of the key management personnel of the Company for the year ended 31 December 2021 are disclosed in Note 33.1 of the consolidated and separate financial statements.

Contributions and Charitable Gifts
The Group and the Company made charitable contribution (food items) amounting to N580,000 to Sickle Cell Foundation during the year (2020: N1,000,000).

In accordance with Section 43 (2) of Companies and Allied Matters Act (CAMA), 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

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

BY ORDER OF THE BOARD

Josephine Johnson
FRC/2014/ICSAN/0000006496
COMPANY SECRETARY
21st of April 2022

STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

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

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act 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 Group and 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:

Mr. Odunayo Olagundoye
Chairman
FRC/2014/IODN/00000007626
21 April 2022

Dr. Anthonia Agbonifo
Executive Director
FRC/2013/ICAN/0000003934
21 April 2022

STATEMENT OF CORPORATE RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Certification of the Audited Financial Statements for the year ended 31 December 2021.

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 of Food Concepts Plc ("the Company") and its subsidiaries (together, "the Group") respectively certify as follows:

a) We have reviewed the audited financial statements of the Group and Company for the year ended 31 December 2021.

b) The audited consolidated and separate 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) The audited financial statements and all other financial information included in the statements fairly present, in all material aspects, the financial condition and results of operation of the Group and Company as of and for the year ended 31 December 2021.

d) We are responsible for establishing and maintaining internal controls and affirm that we have made an assessment of the Group and Company's internal control as at 31 December 2021 and significant deficiencies in the design or operation of internal controls which could adversely affect the Group and the Company's ability to record, process, summarise and report financial data have been disclosed to the Independent auditor and the Audit Committee.

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

Mr. Kofi Abunu*
Managing Director

21 April 2022

Dr. Anthonia Agbonifo
Executive Director
FRC/2013/ICAN/0000003934
21 April 2022

* The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the Company's audited financial statements for the year ended 31 December 2021 while in the process of completing his registration with the FRC.

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

In compliance with the provisions of section 404(7) of the Companies and Allied Matters Act, 2020, we the members of the Audit Committee of Food Concepts Plc, having carried out our functions under the Act, confirm that the accounting and reporting policies of the Company, as contained in the audited consolidated financial statements for the year ended 31 December 2021, are in accordance with legal requirements and agreed ethical practices.

We confirm that the external auditors, KPMG Professional Services, has issued an unqualified opinion for the year ended 31 December 2021.

In our opinion, the scope and planning of the audit for the year ended 31 December 2021 was adequate and we confirm that the responses by the Management to the external auditor's findings on management matters were satisfactory.

Finally, we acknowledge the cooperation of management and staff in the conduct of our duties.

Members of the Audit Committee:

1. Mr. Babacar Ka - Chairman
2. Mrs. Yemisi Akinbo - Member
3. Mr. Peter Eyanuku - Member
4. Mr. Salau Mohammed Adebanjo - Member
5. Mr. Kassim Laiyenbi - Member

Babacar Ka

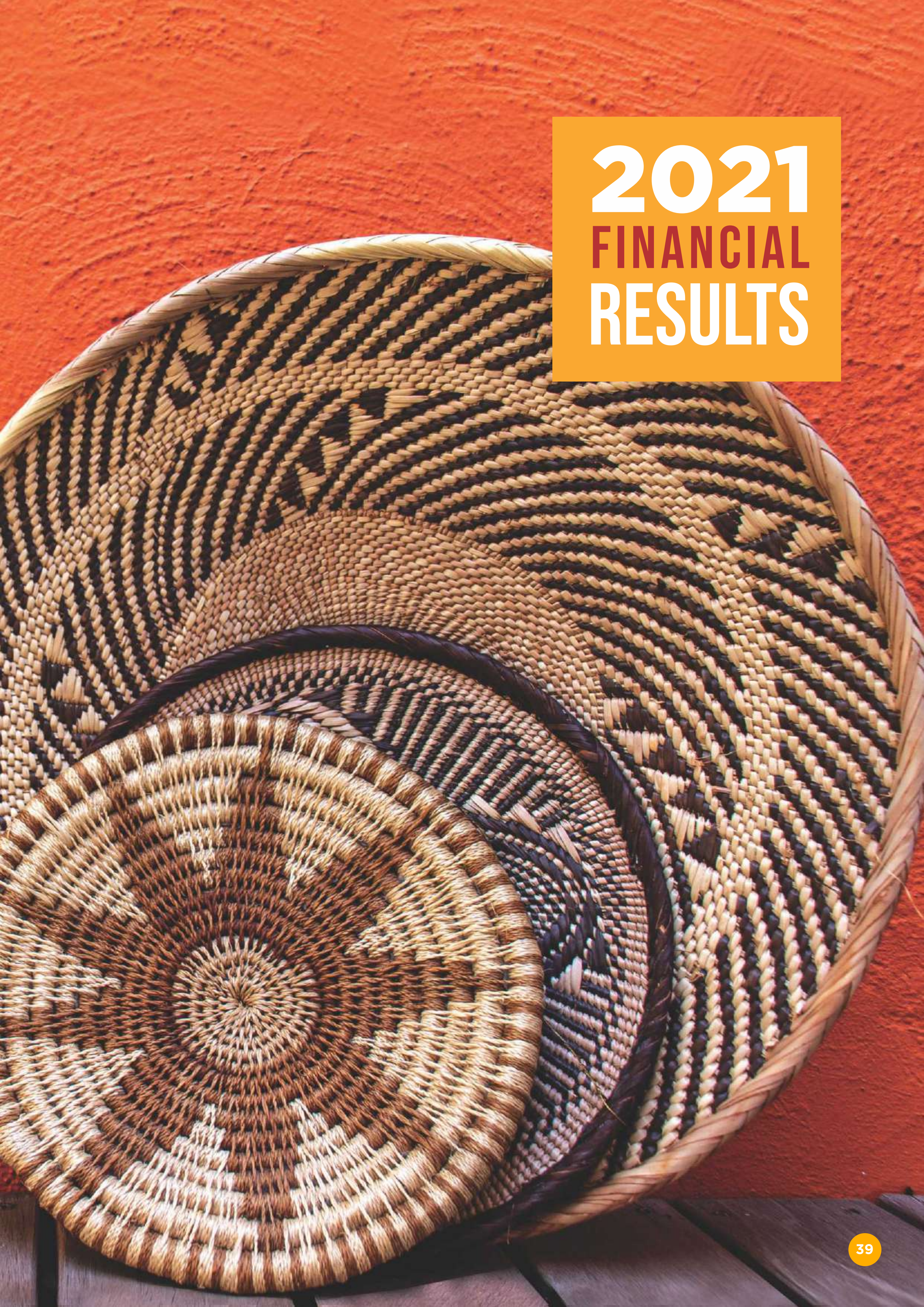
Chairman, Audit Committee
20 April 2022

IAS ACCREDITED Management Systems Certification Body MSCB - 153

SMG ISO 45001

SMG ISO 14001

SMG ISO 9001



2021 FINANCIAL RESULTS

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KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
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Independent Auditor's Report

To the Shareholders of Food Concepts Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Food Concepts Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and 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 consolidated and separate 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 consolidated and separate 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.

a. Income Tax

Refer to significant accounting policies (Note 4.6) and related disclosures (Note 5.1.3 and 16) of the consolidated and separate financial statements.

KPMG

Key Audit Matter	How the matter was addressed in the audit
The Directors are required to make judgements and estimates when determining the amount of provisions to be made with respect to taxes in the Company's financial statements. The Company self-assesses her operations as a manufacturing concern and prepares her Company income and deferred tax (income taxes) on this basis. The classification of an entity's business as manufacturing has implications on the tax base for which taxes are determined. Judgment is required to determine the extent of disclosure that would not have unfavourable impact on the Company's position in relation to the subject matter of the provision. This is considered a matter of significance to the audit due to the nature of the judgment required and the magnitude of the liability recorded in the financial statements.	Our audit procedures in this area included amongst others: • We held discussion with management and Directors to understand the nature of tax liabilities recognised at year end. • We inspected correspondences between the Company and the tax authorities to evaluate the appropriateness of the liabilities recognised at year end. • We challenged management's judgement applied in classifying the Company as a Manufacturing concern based on our knowledge of the entity, relevant legislation and experience of the industry in which it operates. • We involved our KPMG tax specialists to inspect correspondences between the Company and the tax authorities, in assessing the adequacy and reason-ability of tax liabilities recorded in the books. • Determined whether events after the reporting date provided contrary audit evidence regarding the classification of the Company's business as a manufacturing concern. • We also checked that the relevant disclosures relating to significant judgments and estimate made, were in line with the requirements of the relevant accounting standard.

Other Information

The Directors are responsible for the other information. The other information comprises the; Corporate Information, Directors' Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility and Other National Disclosures which we obtained prior to the date of this auditors' report but does not include the consolidated and separate financial statements and our auditors' report thereon. Other information also includes Financial Highlights, Chairman's Statement, MD/CEO Report, Report of the Audit Committee, Corporate Governance Report, Notice to Shareholders, amongst others, together the 'Outstanding reports', which are expected to be made available to us after that date.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

KPMG

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group (and 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 consolidated and separate 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 Group (and Company) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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.

Uzodinma Nwankwo, ACA
FRC/2013/ICAN/00000000803
KPMG Professional Services
Chartered Accountants
28 April 2022
Lagos, Nigeria

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	NOTE	The Group 2021 ₦ million	The Group 2020 ₦ million	The Company 2021 ₦ million	The Company 2020 ₦ million
Revenue from contracts with customers	7	36,377	18,157	36,223	18,023
Other operating income	8	1,694	44	1,755	43
Raw materials and consumables used	9	(20,265)	(9,140)	(20,174)	(9,063)
Depreciation and amortisation	10	(1,695)	(910)	(1,690)	(903)
Employee benefits expense	11	(4,884)	(3,175)	(4,872)	(3,160)
Other expenses	12	(5,751)	(3,197)	(5,695)	(3,145)
Impairment (loss)/credit on financial assets - net	15	(68)	2	(79)	(143)
Operating Profit		**5,408**	**1,781**	**5,468**	**1,652**
Finance costs	13	(272)	(455)	(272)	(455)
Finance income	14	83	304	83	304
Profit before minimum taxation		**5,219**	**1,630**	**5,279**	**1,501**
Minimum tax	16.2	(92)	(46)	(92)	(46)
Profit before income tax		5,127	1,584	5,187	1,455
Income tax	16.1	(1,226)	(430)	(1,226)	(430)
Profit for the year		**3,901**	**1,154**	**3,961**	**1,025**
Other comprehensive income					
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	27.1	(11)	(3)	-	-
Other comprehensive income for the year, net of tax		(11)	(3)	-	-
Total comprehensive income for the year, net of tax		**3,890**	**1,151**	**3,961**	**1,025**
Profit: attributable to owners of the parent		3,890	1,151	3,961	1,025
		3,890	**1,151**	**3,961**	**1,025**
Basic earnings per share (Naira)	17	0.15	0.04	0.15	0.04

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December

	NOTES	The Group 2021 ₦ million	The Group 2020 ₦ million	The Company 2021 ₦ million	The Company 2020 ₦ million
Assets					
Non-current assets					
Property, plant and equipment	18	17,352	10,137	17,286	10,092
Intangible assets	19	1,521	1,462	1,521	1,462
Right-of-use assets	32	4,864	3,036	4,864	3,036
Prepayments	24	10	10	10	10
Investments in subsidiaries	20	-	-	2	2
Total non-current assets		**23,747**	**14,645**	**23,683**	**14,602**
Current assets					
Inventories	22	2,121	1,009	2,117	1,004
Trade and other receivables	23	301	277	375	321
Prepayments	24	3,278	1,568	3,271	1,567
Investments	25.2	124	1,850	124	1,850
Cash and bank balances	25.1	908	1,692	901	1,692
		6,732	**6,396**	**6,788**	**6,434**
Assets held for sale	21	-	1,660	-	1,583
Total current assets		**6,732**	**8,056**	**6,788**	**8,017**
Total assets		**30,479**	**22,701**	**30,471**	**22,619**
Equity and liabilities					
Equity					
Issued share capital	26.1	13,250	13,250	13,250	13,250
Share premium	26.2	6,266	6,266	6,266	6,266
Share based payment reserves	26.3	159	66	159	66
Retained earnings/(Accumulated losses)		1,567	(2,334)	1,417	(2,544)
Foreign currency translation reserve	27.1	(179)	(168)	-	-
Total equity		**21,063**	**17,080**	**21,092**	**17,038**

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December

	NOTES	The Group 2021 ₦ million	The Group 2020 ₦ million	The Company 2021 ₦ million	The Company 2020 ₦ million
Non-current liabilities					
Lease liabilities	32	1,718	1,258	1,718	1,258
Deferred taxation	16.5	1,973	852	1,973	852
		3,691	**2,110**	**3,691**	**2,110**
Current liabilities					
Contract liabilities	28	62	64	62	64
Deferred income	29	8	3	8	3
Trade and other payables	30	5,067	3,129	5,030	3,089
Current tax liabilities	16.4	138	90	138	90
Lease liabilities	32	450	225	450	225
		5,725	**3,511**	**5,688**	**3,471**
Total liabilities		**9,416**	**5,621**	**9,379**	**5,581**
Total equity and liabilities		**30,479**	**22,701**	**30,471**	**22,619**

The financial statements were approved for issue by the Board of Directors on the 21st of April 2022 and were signed on its behalf by:

Mr. Odunayo Olagundoye
FRC/2014/IDON/00000007626
Chairman
21st of April 2022

Mr. Kofi Abunu*

Managing Director
21st of April 2022

Dr. Anthonia Agbonifo
FRC/2013/ICAN/0000003934
Executive Director
21st of April 2022

* The Financial Reporting Council (FRC) granted a waiver to the Managing Director to sign the Company's audited financial statements for the year ended 31 December 2021 while in the process of completing his registration with the FRC.

The accompanying notes form an integral part of these consolidated and separate financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

The Group

	Issued share capital	Share premium	Retained earnings/ (Accumulated losses)	Foreign currency translation reserve	Share-based Payment Reserves	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
For the year ended 31 December 2021						
At 1 January 2021	13,250	6,266	(2,334)	(168)	66	17,080
Profit for the year	-	-	3,901	-	-	3,901
Other comprehensive income	-	-	-	(11)	-	(11)
Total comprehensive income for the year	**-**	**-**	**3,901**	**(11)**	**-**	**3,890**
Transaction with owners:						
Share-based payments	-	-	-	-	93	93
At 31 December 2021	**13,250**	**6,266**	**1,567**	**(179)**	**159**	**21,063**
For the year ended 31 December 2020						
At 1 January 2020, as previously reported	13,105	6,180	(3,488)	(165)	241	15,873
Profit for the year	-	-	1,154	-	-	1,154
Other comprehensive income	-	-	-	(3)	-	(3)
Total comprehensive income for the year	**-**	**-**	**1,154**	**(3)**	**-**	**1,151**
Transaction with owners:						
Issue of shares	145	86	-	-	(231)	-
Share-based payments	-	-	-	-	56	56
At 31 December 2020	**13,250**	**6,266**	**(2,334)**	**(168)**	**66**	**17,080**

The accompanying notes form an integral part of these consolidated and separate financial statements

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

The Company

	Issued share capital	Share premium	Retained earnings/ (Accumulated losses)	Share-based Payment Reserves	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million
For the year ended 31 December 2021					
At 1 January 2021	13,250	6,266	(2,544)	66	17,038
Profit for the year	-	-	3,961	-	3,961
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	**3,961**	**-**	**3,961**
Transaction with owners:					
Share-based payments	-	-	-	93	93
At 31 December 2021	**13,250**	**6,266**	**1,417**	**159**	**21,092**
For the year ended 31 December 2020					
At 1 January 2020	13,105	6,180	(3,569)	241	15,957
Profit for the year	-	-	1,025	-	1,025
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**1,025**	**-**	**1,025**
Transaction with owners:					
Share-based payments	-	-	-	56	56
Issue of shares	145	86	-	(231)	-
At 31 December 2020	**13,250**	**6,266**	**(2,544)**	**66**	**17,038**

The accompanying notes form an integral part of these consolidated and separate financial statements

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	NOTES	The Group 2021 ₦ million	The Group 2020 ₦ million	The Company 2021 ₦ million	The Company 2020 ₦ million
Operating activities					
Profit before tax		5,219	1,630	5,279	1,501
Non-cash adjustment to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	10	1,143	708	1,138	701
Amortisation of intangible assets	10	42	18	42	18
Depreciation of Right of Use Asset	10	510	184	510	184
Gain on disposal of investments	21.1	(1,260)	-	(1,337)	-
Loss on disposal of property, plant and equipment	12.1	4	5	4	5
Finance income	14	(83)	(304)	(83)	(304)
Deferred income recognised in the current period	29	(15)	(19)	(15)	(19)
Share-based payment expense	11	93	56	93	56
Finance costs	13	272	455	272	455
Unrealised exchange gain on inter-company balance	8.1	(5)	(5)	-	-
Asset written off	12	14	42	14	42
Increase / (Decrease) in impairment losses on all financial assets	15	68	(2)	79	143
Working capital adjustments:					
Increase in inventories	22	(1,111)	(410)	(1,112)	(410)
Increase in trade and other receivables *	23	(24)	(131)	(65)	(140)
Increase in prepayments	24	(1,710)	(124)	(1,704)	(126)
Increase in trade and other payables	30	1,548	552	1,551	550
(Decrease)/increase in contract liability	28	(2)	5	(2)	5
Cash generated from operations		**4,703**	**2,660**	**4,664**	**2,662**
Income tax paid	16.4	(149)	(91)	(149)	(91)
Deferred income received	29	20	-	20	-
Net cash flows generated from operating activities		**4,574**	**2,569**	**4,535**	**2,571**
Investing activities					
Interest received	14	83	304	83	304
Proceeds from sale of Associate Companies	21.1	2,920	-	2,920	-
Decrease/(Increase) in investments	25.2	1,728	(1,831)	1,729	(1,831)
Proceeds from disposal of property, plant and equipment	12.1	9	-	9	-
Proceeds from disposal of CWIP intangible assets		11	-	11	-
Additions to property plant and equipment	18	(7,989)	(3,774)	(7,961)	(3,774)
Purchase of intangible assets	19	(153)	(137)	(153)	(137)
Net cash flows used in investing activities		**(3,391)**	**(5,438)**	**(3,362)**	**(5,439)**
Financing activities					
Payment of principal portion of lease	32.1	(1,925)	(1,335)	(1,925)	(1,335)
Net cash flows used in financing activities		**(1,925)**	**(1,335)**	**(1,925)**	**(1,335)**
Net decrease in cash and cash equivalents		(742)	(4,204)	(752)	(4,203)
Unrealized exchange gain on cash and cash equivalents	8.1	(39)	-	(39)	-
Impact of exchange fluctuation on cash and cash equivalents		(3)	(3)	-	-
Cash and cash equivalents at 1 January		1,692	5,899	1,692	5,895
Cash and cash equivalents at 31 December	25.1	**908**	**1,692**	**901**	**1,692**

* Adjusted for current year impairment provision.

The accompanying notes form an integral part of these consolidated and separate financial statements

1 Corporate Information

Food Concepts Plc (the Company) was incorporated in Nigeria as a limited liability company on 6 December 1999. The Company commenced operations on 27 February 2001 and became a public limited company on 9 July 2008. The Company is domiciled in Nigeria with its registered office located at 2, Ilupeju Bypass, Ilupeju, Lagos. The immediate parent company is ADP II Holdings 12 Ltd.

The Company which currently operates with a number of subsidiaries (collectively, the Group) has operations across Nigeria, Ghana and Mauritius with authorized Group activities covering provision of restaurant services, confectionery product and bakery. There was no change in the nature of business of the Group and the Company during the year.

These consolidated and separate financial statements of the Group and the Company for the year ended 31st December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on the 21st of April 2022.

2 Statement of Compliance

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as complied with the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria Act No. 6, 2011. The consolidated and separate financial statements have been prepared on a going concern basis.

2.1 Composition of consolidated and separate financial statements

These consolidated financial statements are presented in Naira, which is the Group's functional currency, and all values are rounded to the nearest million (₦million), except where otherwise indicated. In accordance with IFRS accounting presentation, the financial statements comprise:

- Consolidated and separate statement of financial position
- Consolidated and separate statement of profit or loss and other comprehensive income
- Consolidated and separate statement of changes in equity
- Consolidated and separate statement of cash flows
- Notes to consolidated and separate financial statements.

2.2 Financial period

These financial statements cover the financial year ended 31 December 2021, with comparative figures for the financial year 31 December 2020.

2.3 Basis of preparation

The financial statements have been prepared on historical cost basis except as disclosed in the accounting policies. Refer to note 4.

2.3.1 Fair value management

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 of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group and Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The principal accounting policies are set out below in note 4.

2.4 Basis of consolidation

The consolidated and separate financial statements comprise the financial statements of the Group, its subsidiaries and its associates as at 31 December 2021.

2.4.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. A subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. In assessing control, the Group takes into account its power over the subsidiary, exposure or rights to variable returns from its involvement with the subsidiary and its ability to affect returns through exercising its power over the subsidiary. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

2.4.2 Disposal of subsidiary

If the Group loses control over a subsidiary, it:

- De-recognises the assets and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interest
- De-recognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Accordingly, the resulting cash flows are classified in the same way as other transactions with owners. The Group accounts for investment in subsidiaries at cost in the separate financial statements.

2.4.3 Non-controlling interest

Non-controlling interest are measured initially at their proportionate share of the acquirers identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.4.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or subsidiary. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3 New standards and interpretations issued

3.1 New standards and interpretations issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these consolidated and separate financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Group and Company are set out below.

The Group and Company do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

Onerous contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective 1 January 2022

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated.

The amendments to IAS 37 are not expected to have a significant impact on the Group and Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transaction that give rise to equal and offsetting temporary differences – e.g., leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counter-party conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation. The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material: Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective from 1 January 2023.

Definition of Accounting estimates (Amendments to IAS 8)

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the following:

- an entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.

Definition of Accounting estimates (Amendments to IAS 8) *- continued*

- a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period.

The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Covid-19 Related Rent Concessions (Amendments to IFRS 16)

On 28 May 2020, the IASB issued Covid19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification.

The amendment applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. This amendment had no impact on the consolidated financial statements of the Group and Company.

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

Effective for annual periods beginning on or after 1 January 2022.
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IAS 16 are not expected to have a significant impact on the Group and Company's financial statements.

Annual improvements 2018 - 2020 (Amendments to IFRS 1 and IFRS 9)

IFRS 1 First-time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Group and Company.

IFRS 9 Financial Instruments (Fees in the '10 per cent' test for de-recognition of financial liabilities) - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. The Group and Company is currently assessing its impact on the financial statements.

3.2 New standards and interpretations effective during the year

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. Those applicable to the Group and Company include:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 - Interest Rate Benchmark Reform.

4 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been applied to all the years presented, unless otherwise stated.

4.1 Foreign currencies

Presentation and functional currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiaries operate ('the functional currency'), which is the Ghana Cedis and US Dollar. The consolidated financial statements are presented in Nigerian Naira which is the functional currency of the Parent Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group and the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss or other comprehensive income depending on where the fair value gain or loss is reported.

Foreign operations

The results and financial position of foreign operations that have functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position are translated at the exchange rate at the reporting date.
- Income and expenses for statement of profit or loss and other income are translated at average exchange rates unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at their respective exchange rates that existed on the dates, of the transactions and;
- All resulting exchange differences are recognised in the other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve relates to the foreign operation and is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-attributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

4.2 Current versus non-current classification

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

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

All other assets are classified as non-current. A liability is current when:

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

The Group and the Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets or liabilities.

4.3 Revenue recognition

IFRS 15 introduces a five-step model for recognising revenue to depict transfer of goods or services. The model distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Group and the Company's activities and it is stated net sales tax, discounts, rebates and returns.

A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Group is the principal in all of its revenue arrangements since it is the primary obligor, has inventory risk and determines the pricing for the goods and services.

4.3.1 Sale of goods (quick service restaurants and PieXpress stores)

Sale of goods arises from the sale of food items from the Group and the Company-owned stores to individual and corporate customers. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are delivered to the customer or picked up by the customers. This is at a point in time.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and products have been accepted in accordance with the sales contract, or the acceptance provisions have lapsed, or the Group and the Company have objective evidence that all criteria for acceptance have been satisfied.

Rendering of services

Fees from franchised restaurants (franchisee royalty income): The sale-based franchise fees (royalties) are recognised at the later of when the sale occurs (provided there is no expectation of a subsequent reversal of the revenue); or the performance obligation to which some or all of the sales-based royalty has been allocated is satisfied (in whole or in part). An agreed royalty rate of 5% is charged on the Net Proceeds on Sale (NPS) declared by each franchisee and recognised in the books as royalty income.

Administrative fees on food supplies to franchisees (supply chain distribution): Administrative fees are charged on food and supplies transferred to franchisees. Revenue from the service is recognised when the control of the supplies is transferred to the franchisees. This occurs when the supplies are picked up. This is at a point in time.

Fees from the opening of new franchised restaurants (franchisee joining fees income): Joining fees are charged for the advisory services rendered to new franchisees to assist in setting up the outlet. Revenue from the service is recognised when the restaurants commence trading which is when control is transferred. This is at a point in time.

4.3.2 Contract liabilities

The Group and the Company recognise contract liabilities for advance fees charged on the opening of new franchised restaurants. Generally, the only performance obligation is the commencement of trading by franchisee, hence, revenue is only recognised when the franchisee outlet opens for trading. Thus, the Group and the Company recognise contract liability for the consideration received, for which performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Group and the Company derive revenue from three major revenue lines, namely; sale of goods (quick service restaurant), franchise fees and administrative fees. The Group and the Company have determined that the disaggregation of revenue based on the criteria of type of products meets the disaggregation of revenue disclosure requirement of IFRS 15. It depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details in note 7.

4.4 Finance income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss.

4.5 Finance cost

Finance costs include borrowing costs and interest expense which are calculated using the effective interest rate method.

4.6 Taxes

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Group and Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

4.6.1 Current income tax

The current income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Companies Income Tax Act (CITA). Company Income tax at 30% of taxable profits, Tertiary Education tax at 2.5% of assessable profits (2020: 2%) and Nigeria Police Trust Fund Levy at 0.005% of net profit. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods

4.6.2 Minimum tax

The Group and Company are subject to the Company Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.25% (2020: 0.25%) of the gross turnover of the Group and Company). 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.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

The Group and Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

4.6.3 Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recognised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is recognised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. An item of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment. The cost of an item of property, plant and equipment includes expenditure incurred during construction, delivery and modification. Other subsequent expenditure is recognised only when it meets the recognition criteria.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent expenditure

Expenditure incurred subsequently for major services/overhauls, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and Company and the cost can be measured reliably.

Depreciation

Depreciation is charged to write-off the asset's carrying amount over its estimated useful life to its estimated residual value, using the straight-line method over the useful lives of each part of an item of property, plant and equipment.

Land and capital work in progress are not depreciated. Land is deemed to have an indefinite useful life.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

Asset Class	Number of years
Land	Indefinite
Buildings	20-50
Plant and machinery	10
Kitchen equipment	15
Furniture and fittings	5
Motor vehicles	4
Computer and office equipment	4

Capital work in progress are assets under construction which take a substantial period of time. These are recorded at the cost incurred to date less any impairment loss and no depreciation is charged on these amounts. Depreciation commences when the assets are ready for their intended use.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. The gain or loss arising on de-recognition of the asset. This is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss for the period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.8 Leases

The Group and 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.

Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases. The Group and the Company have a number of short-term leases but do not have leases of low-value assets. The Group and Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Group and the Company as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component

4.8 Leases - continued

Right-of-use assets

The Group and 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 subsequently depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which ranges from 2 to 10 years for the various leases in the Group and Company's portfolio.

If ownership of the leased asset transfers to the Group or the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group and 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 Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group or 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.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Company's lease liabilities are shown in Note 32.

Short-term leases

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of some properties (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.

The Group and the Company do not have any leased assets categorised as low-value assets.

Sublease arrangement

The Group and the Company classify the lease by reference to the right-of-use asset arising from the head lease and not by reference to the underlying asset. Lease payments are made in advance by the lessee's and income is recognised in profit or loss when such retail outlet starts trading. The Group and Company account for the sublease under deferred income note.

4.9 Intangible assets

Intangible assets are those identifiable non-monetary assets without physical substances. Separately acquired intangible assets are shown at historical costs. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. The useful lives of intangible assets are assessed as either finite or indefinite.

i) Computer software: Computer software have a finite useful life of 5 years and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

ii) Brand rights (Chicken Republic): Brand rights have an indefinite useful life.

Amortisation of computer software is calculated using the straight–line method to allocate their cost over their estimated useful life of 5 years and assessed annually for impairment whenever there is an indication that they may be impaired.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. This is not amortised, but is tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

4.9 Intangible assets - continued

De-recognition of intangible assets

An intangible asset is amortised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

4.10 Financial instruments

4.10.1 a) Classification and measurement

Financial assets

It is the Group and Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Group and the Company business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group and the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the Group and the Company are:

- Hold to collect: Financial assets in this category are held by the Group and the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost.
- Hold to collect and sell: Financial assets in this category are held to collect contractual cash flows. The cash flows represent solely payment of principal and interest and sell where there are advantageous opportunities. These financial assets are measured at fair value through other comprehensive income.
- Held for trading: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

All the Group and the Company's financial assets as at 31 December 2021 satisfy the conditions for classification at amortised cost. The business model for the Group and the Company's financial assets are held to collect contractual cash flows that are solely payments of principal (for non-interest-bearing financial assets) or solely payments of principal and interest (for interest-bearing financial assets).

The Group and Company's financial assets include trade and other receivables, cash and short-term deposits. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Group and the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group and the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group and the Company's financial liabilities include trade and other payables.

4.10.2 b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) which model is applicable to financial assets classified at amortised cost.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Group and the Company apply the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to other receivables (amounts due to related parties) and cash and short-term deposits.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group and the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

4.10.2 b) Impairment of financial assets - continued

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counter parties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and inflation, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

4.10.3 Significant increase in credit risk and default definition

The Group and the Company assess the credit risk of financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group and the Company identify the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group and Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Group and the Company carry out active recovery strategies to recover all outstanding payments due on receivables. Where the Group and the Company determine that there are no realistic prospects of recovery, the financial asset and any related loss allowance are written off either partially or in full.

4.10.4 De-recognition

Financial assets

The Group and the Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for de-recognition. Gains or losses on de-recognition of financial assets are recognised as finance income(cost).

Financial liabilities

The Group and the Company de-recognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

4.10.5 Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the de-recognition of that financial instrument, the Group and the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

4.10.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right is contingent on future events and is enforceable in the normal course of business, and in event of default, insolvency or bankruptcy of the Company or the counter-party.

Cash and bank balances

Cash and bank balances in the statement of financial position comprise of cash on hand, cash at bank, term deposits and other short term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits as defined above. Please see note 4.10.2 for accounting policies on impairment of financial assets.

4.11 Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Cost of raw materials and other costs incurred in bringing each product to its present location and condition are accounted for, on a weighted average basis. The cost of finished goods includes all direct costs relating to the purchase of these items.

4.12 Impairment of tangible and intangible assets excluding inventories and financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Whenever such indication exists, the asset's recoverable amount is estimated. The impairment is the carrying amount less the recoverable amount of the assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.13 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

4.14 Contingencies

A contingent asset or contingent liability is a possible asset or obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events. The assessment of the existence of the contingencies will involve management judgement regarding the outcome of future events.

a) **Contingent liabilities**

Contingent liabilities are possible/probable obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

b) **Contingent assets**

Contingent assets are possible assets whose existence will only be confirmed by future events not wholly within the control of the Group and the Company.

Contingent assets are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

4.15 Staff Pension

The Group and the Company operate a defined contribution plan in line with the provisions of the Pension Reform Act 2004. This plan is in proportion to the services rendered to the Group and the Company by the employees on the part of the Group.

The Group and the Company contribute 10% while the employees contribute 8% of employees current salaries and designated allowances to the scheme. Staff contributions to the scheme are funded through payroll deductions while the Group and Company's contribution is recorded as employee benefit expense in the profit or loss.

4.16 Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the market price or an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group and the Company's best estimate of the number of equity instruments that will vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

4.17 Equity instruments

Equity instruments issued by the Group and the Company are recorded at the consideration received, net of any directly attributable transaction costs.

4.18 Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

4.19 Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the year in which they are paid or liability in the period in which they are approved.

4.20 Key management personnel

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the Group and the Company. For Food Concepts Plc, key management personnel are considered to be designations from senior divisional head levels to Chief Executive Officer at the Group and Company.

4.21 Earnings per share (EPS)

Basic EPS

Basic EPS is calculated on the Group and the Company's profit or loss after taxation attributable to the Group and the Company on the basis of weighted average number of shares issued and fully paid ordinary shares at the end of the year.

Diluted EPS

Diluted EPS is calculated by dividing the profit after taxation attributable to the Group and the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

4.22 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, which continue to be measured in accordance with the Group and Company's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated and separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

5.1 Judgments

5.1.1 Going concern

The Group and Company's Directors have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Group and Company's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

5.1.2 Determining the lease term of contracts with renewal and termination options – Group and the Company as lessee

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

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. See Note 32.

5.1.3 Income taxes

The Company self-assesses her operations and prepares her income taxes on this basis. Judgment is applied in the classification of the Company business as manufacturing or trading, and this informs the basis in which available capital allowances are utilised.

The Company has been assessed as a manufacturing concern. Consequently, the assessable profit for which company income tax is determined has been offset against the available utilised capital allowances for the period without restriction.

5.2 Estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty, at the reporting date that has 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 Group and the Company based the assumptions and estimates on parameters available when the consolidated and separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group and the Company.

5.2.1 Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group and the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed Note 36.2.1.

5.2.2 Share-based payment

Estimating the fair value of the share-based schemes at the grant date is a complex process involving a number of assumptions, judgements and estimates regarding various inputs. See Note 26.3

5.2.3 Impairment of Brand rights

Determining whether Brand right is impaired requires an estimation of the recoverable amount of the cash-generating units to which Brand right has been allocated. The value in use calculations requires directors to estimate the future cash flows expected to arise from the cash-generating unit and use a suitable discount rate to calculate the present value. The determination of the expected future cash flows requires judgement to be made by management. Where the actual future cash flows are less than expected, an impairment loss may arise. See. Note 19.1.

5.2.4 Leases - Estimating the incremental borrowing rate

The Group and Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group and Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). See note 32.

5.2.5 Provision and contingencies

Recognition and measurement of provisions and contingencies require key assumptions about the likelihood and magnitude of an outflow of resources. See. Note 35.

6 Segmental reporting

6.1 Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision-Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Executive Board.

The Chief Operating Decision-Maker (CODM) reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports which include an allocation of central revenue and costs as appropriate. The CODM considers the business from a geographic perspective, with Nigeria, Ghana and Mauritius being the identified reportable segments. These reportable segments make up the total operations of the Group. The CODM assesses the performance of these segments based on profit for the year. Other information provided, except as noted below, to the CODM is measured in a manner consistent with that of the financial statements.

Segmentation applies only to the Group and does not apply to the Company. For management purposes, the Group is organized into business units based on their locations and has three geographical reportable segments as follows:

- Nigeria
- Ghana
- Mauritius

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit for the year and is measured consistently with profit for the year in the consolidated financial statements. All segments' revenue come from the geographical location of each segment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

6.1 Segmental analysis - continued

Below are the operating results of the business unit separately for the purpose of resource allocation and performance assessment.

Year ended 31 December	2021					2020				
Geographical Segments	Ghana	Nigeria	Mauritius	Elimination	Total segments	Ghana	Nigeria	Mauritius	Elimination	Total segments
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Revenue										
External customers	159	36,218	-	-	36,377	134	18,023	-	-	18,157
Internal customers	-	5	-	(5)	-	4	-	-	(4)	-
	159	**36,223**	**-**	**(5)**	**36,377**	**138**	**18,023**	**-**	**(4)**	**18,157**
Results										
Raw materials and consumables used	(96)	(20,174)	-	5	(20,265)	(81)	(9,063)	-	4	(9,140)
Employee benefits expense	(12)	(4,872)	-	-	(4,884)	(15)	(3,160)	-	-	(3,175)
Depreciation and amortisation	(5)	(1,690)	-	-	(1,695)	(7)	(903)	-	-	(910)
Other expenses	(51)	(5,695)	(4)	-	(5,750)	(55)	(3,145)	(2)	-	(3,202)
Impairment credit/ (losses) on financial assets - net	-	(79)	-	11	(68)	-	(143)	-	145	2
Finance costs	-	(272)	-	-	(272)	-	(455)	-	-	(455)
Finance income	-	83	-	-	83	-	304	-	-	304
Other operating income	7	1,755	8	(77)	1,693	6	43	-	-	49
Share of profit of an associate	-	-	-	-	-	-	-	-	-	-
Segment (loss)/profit before tax	**2**	**5,279**	**4**	**(66)**	**5,219**	**(14)**	**1,501**	**(2)**	**145**	**1,630**
Taxation	-	(1,318)	-	-	(1,318)	-	(476)	-	-	(476)
Profit / (loss) for the year	**2**	**3,961**	**4**	**(66)**	**3,901**	**(14)**	**1,025**	**(2)**	**145**	**1,154**
Non-current assets	66	23,683	-	(2)	23,747	44	14,602	-	(2)	14,644
Current assets (Net of investment)	17	6,788	-	(73)	6,732	84	8,017	-	(45)	8,056
Total assets	**83**	**30,471**	**-**	**(75)**	**30,479**	**128**	**22,619**	**-**	**(47)**	**22,700**
Non-current liabilities	-	3,691	-	-	3,691	-	2,110	-	-	2,110
Current liabilities	273	5,688	-	(236)	5,725	233	3,471	4	(197)	3,511
Total liabilities	**273**	**9,379**	**-**	**(236)**	**9,416**	**233**	**5,581**	**4**	**(197)**	**5,621**
Net (liabilities)/assets	**(190)**	**21,092**	**-**	**161**	**21,063**	**(105)**	**17,038**	**(4)**	**150**	**17,079**

Elimination and Adjustments relate to the following:

- Revenue of N5 million (2020: N4 million) represents sales of spices and raw materials by Food Concepts Plc to Food Concepts Ghana.
- Current assets (Net of investment) of N73 million (2020: N45 million) represents the total receivable from Food Concepts Ghana as at year end. The impairment provision of N164 million (2020 N152 million) on inter-company receivable balance at the Company level has been reversed at the group level before elimination.
- The segments identified meet the recognition criteria as a reportable segment under IFRS 8.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4.

Each segment bears its administrative costs and there are no allocations from central administration.

Disaggregation of revenue

The Group derives all its revenue from the sale of goods and provision of services at a point in time from different geographical regions as stated in Note 6.1 above. See further disaggregation in note 7.1. The Group had no revenue from a single customer that accounted for more than 10% of the total revenue in 2021 (2020: nil).

6.2 Reconciliation

	2021	2020
	₦ million	₦ million
Segment profits after taxation	3,967	1,009
Elimination	(66)	145
Profit for the year	**3,901**	**1,154**

6.2.1 Segment assets

The amounts reported to the Board with respect to total assets are measured in a manner consistent with that of the consolidated and separate financial statements. All assets are allocated to reportable segments.

Segment assets are reconciled to total assets as follows:

	2021	2020
	₦ million	₦ million
Segment assets for reportable segments	30,479	22,700
Total assets	**30,479**	**22,700**

6.2.2 Segment liabilities

The amounts reported to the Board with respect to total liabilities are measured in a manner consistent with that of the consolidated and separate financial statements. All liabilities are allocated to reportable segments.

Segment liabilities are reconciled to total liabilities as follows:

	2021	2020
	₦ million	₦ million
Segment liabilities for reportable segments	9,416	5,621
Total liabilities	**9,416**	**5,621**

6.2.3 Equity reconciliation

	2021	2020
	₦ million	₦ million
Total assets	30,479	22,700
Less: Total liabilities	(9,416)	(5,621)
Total equity	**21,063**	**17,079**

7 Revenue from contracts with customers

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
7.1 By business:				
Quick service restaurants	36,128	17,998	35,974	17,864
Franchise royalty income	201	101	201	101
Franchise joining fees income	48	58	48	58
	36,377	18,157	36,223	18,023
7.2 Timing of revenue recognition				
Goods and services transferred at a point in time	36,377	18,157	36,223	18,023
	36,377	18,157	36,223	18,023
7.3 By geographical location:				
Outside Nigeria	159	138	-	-
Within Nigeria	36,218	18,019	36,223	18,023
	36,377	18,157	36,223	18,023

There is no other revenue other than revenue from contracts with customers in 2021. Performance obligation for each revenue line is disclosed under accounting policies on revenue 4.3.1

7.4 Contract balances

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Gross carrying amount	133	70	133	70
Impairment loss	(27)	(27)	(27)	(27)
	106	43	106	43

Trade receivables are non-interest bearing and are generally on terms of 30 days.

8 Other operating income

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Other income	138	44	128	43
Exchange gain	296	-	290	-
Gain on disposal of investments (21.1)	1,260	-	1,337	-
	1,694	44	1,755	43

* Other income represents income from the sale of used oil and rental income from subleased store spaces (see Note 29). Also included in other income for the year are insurance claims amounting to N43 million recovered with the respect to the assets vandalised at CR Bode Thomas and Airport Road Kano in October 2020, after offsetting the net book value of the vandalised assets (N5 million). See Note 18.1

8.1 Reconciliation of exchange gains

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Realised exchange gains	252	-	251	-
Unrealised exchange gains on cash and cash equivalents	39	-	39	-
Realised exchange loss trade payables	-	(5)	-	-
Unrealised exchange gains trade payables	5	5	-	-
Balance as at 31 December	296	-	290	-

9 Raw materials and consumables used

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Raw materials consumed	20,131	9,091	20,042	9,017
Transportation of raw materials	134	49	132	46
	20,265	9,140	20,174	9,063

10 Depreciation and amortisation

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Depreciation charge (Note 18)	1,143	708	1,138	701
Amortisation charge (Note 19)	42	18	42	18
Depreciation of Right of Use Asset (Note 32)	510	184	510	184
	1,695	910	1,690	903

11 Employee benefits expense

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Salaries and allowances	4,154	2,755	4,142	2,740
Pension costs	125	75	125	75
Medical expenses	71	57	71	57
Staff meals	441	232	441	232
Share-based payment expense	93	56	93	56
	4,884	3,175	4,872	3,160

12 Other expenses

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Rental charges payable under short term leases	94	96	82	78
Transport	467	230	466	229
Repair and maintenance	709	403	707	399
Brand and marketing	363	159	362	158
Bank charges	193	102	192	101
Exchange loss	-	-	-	5
Audit fee	26	19	25	18
Professional fees	113	225	110	223
Directors' fee	59	41	59	41
Contract and support services	199	128	198	126
Entertainment	12	5	9	3
Stationery expense	71	52	71	52
Loss on sale of property plant and equipment-(Note 12.1)	4	5	4	5
Insurance	66	40	65	40
Utilities	2,139	1,045	2,121	1,030
Licenses and fees	47	48	47	47
Sundry expenses*	130	116	120	109
Other Medical expenses	55	34	55	34
Hotel and Accommodation	219	88	218	88
Computer consumables	155	92	155	92
Cleaning expenses	427	185	426	183
Training services	8	6	8	6
Communication	115	53	115	53
Rates and levies	80	25	80	25
	5,751	3,197	5,695	3,145

Sundry expenses include amortisation expense for smalls and utensils totalling N98 million, loading and off-loading expenses totalling N6 million and other associated operating costs. These also include ₦14 million asset written off.

There were no non-audit services rendered by the Group and Company's auditors during the year (2020: Nil)

12.1 Loss on disposal of property, plant and equipment

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Proceeds from disposal of PPE	9	-	9	-
Less net book value of disposed assets	(13)	(5)	(13)	(5)
Loss on sale of property, plant and equipment	**(4)**	**(5)**	**(4)**	**(5)**

13 Finance Costs

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Interest on lease liabilities (Note 32)	272	455	272	455
	272	**455**	**272**	**455**

14 Finance Income

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Interest income on short-term deposits	83	304	83	304

For the purpose of cash flow statement, the interest received is analysed as follows:

Interest received	83	304	83	304
	83	**304**	**83**	**304**

Finance income relates to interest on fixed deposits and treasury bills investments during the year, recognised using the effective interest method.

15 Impairment/ (Reversals of impairment) loss on financial assets - net

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Impairment on due from related parties (Note 23.2.1)	-	-	11	145
Impairment loss / reversal of impairment loss on cash and bank balances*	68	(2)	68	(2)
	68	**(2)**	**79**	**143**

*Amount recognised in the year represent the impairment loss on cash balances due from one of the Company's mobile money operators, Hackman Micro Finance bank.

15.1 Impairment provision for cash flows adjustment	-	(2)	11	143

16 Income tax

16.1 Corporation tax is calculated at 30 percent (2020: 30 percent) of the estimated taxable profit for the year based on the provisions of the Companies' Income Tax Act, CAP C21, LFN, 2020 as amended. The charge for education tax of 2.5 percent (2020: 2 percent) is based on the provisions of the Finance Act 2021.

Current tax expense	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Education tax charge @2.5% (2020: 2%)	105	44	105	44
	105	44	105	44
Deferred tax expense	1,121	386	1,121	386
Total Tax charge	**1,226**	**430**	**1,226**	**430**

The Company has been assessed as a manufacturing concern in the current and prior reporting date. Hence, the assessable profit for which company income tax is determined has been offset against the available utilised capital allowances for these periods. The Company is therefore liable to pay minimum tax (see note 16.2)

16.2 Minimum tax

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Minimum tax	92	46	92	46
	92	**46**	**92**	**46**

Minimum tax was based on 0.25% (2020: 0.25%) of gross income less franked investment income in line with the provisions of the Finance Act 2020.

16.3 Group and Company Reconciliation of effective tax rate

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2021 and 2020 is as follows:

Group		2021		2020
	%	₦ million	%	₦ million
Profit or loss before tax		5,219		1,630
Tax using statutory rate	30	1,566	30	489
Effect of tertiary education tax	2.5	130	2	33
Tax effect of:				
- tax incentives	(2)	(104)	(3)	(50)
- impact of education tax rate increase on temporary differences	(1)	(42)	(1)	(23)
- Other non-deductible expenses	(6)	(324)	(1)	(19)
	23	**1,226**	**26**	**430**

Company		2021		2020
	%	₦ million	%	₦ million
Profit or loss before tax		5,279		1,501
Tax using statutory rate	30	1,584	30	450
Effect of tertiary education tax	2.5	132	2	30
Tax effect of:				
- tax incentives	(2)	(104)	(3)	(50)
- impact of education tax rate increase on temporary differences	(1)	(42)	(1)	(14)
- Other non-deductible expenses	(7)	(344)	1	14
	22.5	**1,226**	**29**	**430**

16.4 Current tax liabilities

The movement in the current tax liabilities are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
As at 1 January	90	130	90	130
Minimum tax	92	46	92	46
Charge for the year	105	44	105	44
Payment during the year	(149)	(91)	(149)	(91)
Withholding tax utilised during the year	-	(39)	-	(39)
As at 31 December	**138**	**90**	**138**	**90**

Current tax liability include a N58 million advance tax payment made during the year. This advance would be utilised to offset the tax liabilities for the year.

16.5 Deferred taxation

The movement on the deferred taxation account during the year was as follows:

Group and Company Balance as at 31 December 2020	**At 1 January 2020 ***	**Recognised in profit or loss**	**Net**	**Deferred tax asset**	**Deferred tax liabilities**
	₦ '000	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	554	376	930	(330)	1,260
Trade and other receivables	(11)	(46)	(57)	(57)	-
Employee benefits	(77)	56	(21)	(21)	-
	466	**386**	**852**	**(408)**	**1,260**

Group and Company Balance as at 31 December 2021	**At 1 January 2021 ***	**Recognised in profit or loss**	**Net**	**Deferred tax asset**	**Deferred tax liabilities**
	₦ '000	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	930	1,165	2,095	(549)	2,644
Trade and other receivables	(57)	(4)	(61)	(61)	-
Employee benefits	(21)	(31)	(52)	(52)	-
Exchange gain	-	13	13	-	13
Provisions	-	(22)	(22)	(22)	-
	852	**1,121**	**1,973**	**(684)**	**2,657**

No deferred tax was recognised in the Other Comprehensive Income (OCI) during the year.

17 Earnings per share (EPS)

Earnings per share is computed by dividing the profit attributable to ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares in issue during the year.

17.1

		The Group		**The Company**
	Basic	**Diluted**	**Basic**	**Diluted**
	2021	**2021**	**2021**	**2021**
	Unit million	**Unit million**	**Unit million**	**Unit million**
Issued share capital	26,208	26,208	26,208	26,208
Restricted Stock Unit Plan (RSUP)	289	289	289	289
	26,497	**26,497**	**26,497**	**26,497**
Profit for the year:	3,890	3,890	3,961	3,961
EPS	0.15	0.15	0.15	0.15

		The Group		**The Company**
	Basic	**Diluted**	**Basic**	**Diluted**
	2020	**2020**	**2020**	**2020**
	Unit million	**Unit million**	**Unit million**	**Unit million**
Issued share capital	26,208	26,208	26,208	26,208
Restricted Stock Unit Plan (RSUP)	289	289	289	289
	26,497	**26,497**	**26,497**	**26,497**
Profit for the year:	1,151	1,151	1,025	1,025
EPS	0.04	0.04	0.04	0.04

18 Property, plant and equipment

The Group	Land and buildings	Plant and machinery	Kitchen equipment	Furniture and fittings	Motor vehicle	Computer and office equipment	Capital work-in-progress	Total
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cost:								
At 1 January 2020	5,314	1,303	2,824	1,209	293	623	114	11,680
Additions	1,116	353	785	281	44	168	1,027	3,774
Disposals	-	(20)	(27)	(16)	-	(21)	-	(84)
Transfer from Capital Work In Progress	13	1	334	13	-	11	(372)	-
Write-off	(36)	(1)	(14)	(2	-	-	(23)	(76)
Exchange differences	3	1	-	-	-	1	-	5
At 31 December 2020	6,409	1,637	3,902	1,486	338	781	746	15,298
Additions	3,340	935	1,898	614	123	356	1,115	8,380
Disposals	(3)	(11)	(17)	(10)	(9)	(5)	(5)	(60)
Transfer from Capital Work in Progress	-	-	461	8	-	61	(529)	1
Asset scrapping*	-	-	(4)	(4)	-	(1)	-	(9)
Write-off	(3)	-	-	-	-	-	-	(3)
Exchange differences		1	-	-	-	2	-	3
At 31 December 2021	**9,743**	**2,562**	**6,240**	**2,094**	**452**	**1,194**	**1,327**	**23,611**
Depreciation:								
At 1 January 2020	1,388	615	1,064	841	216	419	-	4,543
Depreciation charge for the year	212	94	195	100	28	79	-	708
Disposals	-	(19)	(22)	(15)	-	(22)	-	(79)
Write-off	(8)	(1)	(1)	(1)	-	-	-	(11)
Exchange differences	-	-	-	-	-	-	-	-
At 31 December 2020	**1,592**	**689**	**1,237**	**925**	**244**	**475**	**-**	**5,162**
Depreciation charge for the year	281	158	301	205	52	146	-	1,143
Disposals	(1)	(7)	(15)	(10)	(9)	(5)	-	(47)
Asset scrapping*	-	-	(1)	(2)	-	(1)	-	(4)
At 31 December 2021	**1,872**	**840**	**1,522**	**1,117**	**287**	**615**	**-**	**6,254**
Net book value:								
At 31 December 2021	**7,871**	**1,722**	**4,718**	**977**	**165**	**579**	**1,327**	**17,352**
At 31 December 2020	**4,817**	**948**	**2,665**	**561**	**94**	**306**	**746**	**10,137**
At 1 January 2020	**3,926**	**688**	**1,760**	**368**	**77**	**204**	**114**	**7,137**

18 Property, plant and equipment

The Company	Land and buildings ₦ million	Plant and machinery ₦ million	Kitchen equipment ₦ million	Furniture and fittings ₦ million	Motor vehicle ₦ million	Computer and office equipment ₦ million	Capital work-in-progress ₦ million	Total ₦ million
Cost:								
At 1 January 2020	5,256	1,284	2,795	1,187	292	621	114	11,549
Additions	1,116	353	785	281	44	168	1,027	3,774
Disposals	-	(20)	(27)	(16)	-	(21)	-	(84)
Transfer from Capital Work In Progress	13	1	334	13	-	11	(372)	-
Transfers to intangible asset	-	-	-	-	-	-	(23)	(23)
Write-off	(36)	(1)	(14)	(3)	-	-	-	(54)
At 31 December 2020	**6,349**	**1,617**	**3,874**	**1,462**	**336**	**779**	**745**	**15,162**
Additions	3,340	935	1,898	614	123	355	1,088	8,352
Disposals	(3)	(11)	(17)	(10)	(9)	(5)	(5)	(60)
Asset scrapping*	-	-	(4)	(4)	-	(1)	-	(9)
Write off	(3)	-	-	-	-	-	-	(3)
Transfer from Capital Work in Progress	-	-	461	7	-	61	(529)	-
At 31 December 2021	**9,683**	**2,541**	**6,212**	**2,070**	**449**	**1,189**	**1,299**	**23,442**
Depreciation:								
At 1 January 2020	1,365	601	1,042	821	214	416	-	4,459
Depreciation charge for the year	209	93	194	99	28	78	-	701
Disposals	-	(19)	(22)	(15)	-	(22)	-	(79)
Write off	(8)	(1)	(1)	(2)	-	-	-	(12)
At 31 December 2020	**1,566**	**674**	**1,213**	**903**	**242**	**472**	**-**	**5,069**
Depreciation charge for the year	278	157	300	205	52	146	-	1,138
Disposals	(1)	(7)	(15)	(10)	(9)	(5)	-	(47)
Asset scrapping*	-	-	(1)	(2)	-	(1)	-	(4)
At 31 December 2021	**1,843**	**824**	**1,497**	**1,096**	**285**	**612**	**-**	**6,156**
Net book value:								
At 31 December 2021	**7,840**	**1,718**	**4,715**	**974**	**164**	**577**	**1,299**	**17,286**
At 31 December 2020	**4,783**	**943**	**2,661**	**560**	**94**	**307**	**745**	**10,092**
At 1 January 2020	**3,891**	**683**	**1,754**	**365**	**78**	**205**	**114**	**7,091**

18.1 Asset scrapping relates to the residual value of vandalised asset at Bode Thomas CR and Airport Road Kano CR. The NBV (N5m) of these have been off set from the insurance claim received during the year. See Note 8.

18.2 None of the Group and Company's assets are pledged as security for borrowings (2020: Nil)

18.3 Closing capital work in progress is analysed as follows:

	2021 ₦ million	2020 ₦ million
Kitchen equipment	1,098	597
Computer and office equipment	106	86
Building	58	55
Furniture and fittings	37	7
	1,299	**745**

18.4 The Capital commitments relating to advance payments to contractors for ongoing projects amounts to N391 million (2020: N274 million)

18.5 No borrowing costs were capitalised during the year (2020: Nil)

18.6 There are no restrictions on the Group and Company's assets as that year end (2020: Nil)

19 Intangible assets

	The Group				The Company			
	Brand rights	Computer software	Capital work-in-progress	Total	Brand rights	Computer software	Capital work-in-progress	Total
The Company	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Cost:								
At 1 January 2020	1,269	345	-	1,614	1,269	345	-	1,614
Additions	1	80	56	137	1	80	56	137
Transfer from CWIP (PPE)	-	23	-	23	-	23	-	23
At 31 December 2020	**1,270**	**448**	**56**	**1,774**	**1,270**	**448**	**56**	**1,774**
Additions	-	153	-	153	-	153	-	153
Disposals *	-	-	(52)	(52)	-	-	(52)	(52)
At 31 December 2021	**1,270**	**601**	**4**	**1,875**	**1,270**	**601**	**4**	**1,875**
Amortisation:								
At 1 January 2020	-	294	-	294	-	294	-	294
Charge for the year	-	18	-	18	-	18	-	18
At 31 December 2020	-	312	-	312	-	312	-	312
Charge for the year	-	42	-	42	-	42	-	42
At 31 December 2021	**-**	**354**	**-**	**354**	**-**	**354**	**-**	**354**
Carrying value:								
At 31 December 2021	**1,270**	**247**	**4**	**1,521**	**1,270**	**247**	**4**	**1,521**
At 31 December 2020	**1,270**	**136**	**56**	**1,462**	**1,270**	**136**	**56**	**1,462**
At 1 January 2020	**1,269**	**51**	**-**	**1,320**	**1,269**	**51**	**-**	**1,320**

The brand rights were purchased and not internally generated.

Closing capital work in progress for the Group and Company's intangibles represents the cost of licenses obtained for PieXpress kiosks which are yet to be put to use.

* Included in this amount is the payment of N41 million for the implementation of a software project - GAAP which was in progress in 2020 and included in CWIP balance as at 31 December 2020. However, this project was not successful and discontinued during the year. The reimbursable amount of N29 million due from the vendor have been included in other receivables (see note 23). This amount has also been paid by the vendor subsequent to year end. The outstanding balance of N12 million has been charged to the income statement as write off.

19.1 Impairment testing of intangible assets with indefinite useful lives

Brand rights with indefinite lives has been allocated to the cash-generating unit below, which are also operating segments for impairment testing. Cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows and are largely independent of the cash inflows from other assets or groups of assets. The CGU's have been identified as the Chicken Republic outlets. The brand rights have been assessed as having indefinite useful lives as the Group and company continue to earn royalty income from the sale of its brand and expected growth in the business over the foreseeable future.

	Chicken Republic unit		Chicken Republic unit	
		The Group		The Company
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Brand rights with indefinite useful lives (carrying amount)	1,270	1,270	1,270	1,270
	========	========	========	========
Brand rights with indefinite useful lives (Recoverable amount)	23,929	21,146	23,927	21,146
	========	========	========	========

- Discount rate (WACC): 18.5% (2020: 18.5%).
- Net cash flow: The Net cash flow is based on 5-year forecast using 2022 as the base year.
- Terminal growth rate of 3.3% (2020: 3.3%).
- Risk free rate: 8.94% (2020: 7.42) being the yield on a 30-year FGN bond as at 31 December 2021.
- Equity Risk Premium: 10.05% (2020: 10.05%) based on the Country Risk Premium for Nigeria plus the base premium for mature equity market according to Damodaran as at 1 January 2022 was adopted.
- Beta: 0.9, (2020: 0.9) based on the unlevered beta for Restaurant/Dining business from Damodaran.

The discount rate was based on computed WACC using the Capital Asset Pricing Model (CAPM). The net cash flows were then discounted using this rate to estimate their present values inclusive of a terminal growth value discounted to its present value thereafter. Brands have indefinite useful life, and a terminal value has been included in the computation based on Nigeria's long-term growth forecast of 3.3% by the Economist Intelligence Unit.

The cash flow assumptions were based on projected revenue assuming sales price and volume growth (this is a combination of same store growth, new stores and new products innovation). The projected cash flows have been updated to reflect the increase in customers' preferences for our products, which is evidenced in the annual growth in customer count.

Management has used a five-year cash flow projection for the impairment testing. Projected revenue forecasts are based on historical performances of the business as at the beginning of the budget period. These are increased over the budget period for planned new Company owned stores, same store growth and planned new franchised stores. In addition, the Group and the Company will continue to explore innovative meals to continue to attract more customers. The Relief from Royalty Method ("RRM") using a royalty rate of 5% was adopted in determining the applicable cash-flows from the Brand. The royalty rate applied is based on the Franchise charged by Food Concepts for the use of its Brand. The Group and the Company had determined cash flows attributable to the brand rights as follows:

i. 5% on its projected five-year Chicken Republic owned stores revenue (as relief from royalty). The estimated recoverable amounts of the Brand rights exceeded its carrying amount in the period under review. A +/- 5% sensitivity analysis on discount factor and long-term growth rate as at 31 December 2021 will lead to 7% reduction in the present value of the brand rights and 8% increase in the present value of the brand rights respectively. A +/-5% sensitivity analysis on the average annual growth rate in revenue will result in a 17% increase/decrease in the present value of the brand right.

20 Investment in subsidiaries

	The Company	
	2021 ₦ million	2020 ₦ million
Food Concepts Ghana Limited	2	2
	========	========

Investment in Express Foods Franchise Limited is less than ₦ 1 million.

20.1 Interests in other entities

The Group and the Company's principal subsidiaries at 31 Dec 2021 are set out below. Unless otherwise stated, the share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

The consolidated financial statements of the Group include:

		Ownership interest held by non-controlling interest				
Name of entity		2021	2020	2021	2020	Principal activities
Subsidiaries		%	%	%	%	
Food Concepts Ghana Limited	Ghana	100	100	-	-	Restaurant
Express Food Franchise International	Mauritius	100	100	-	-	Food business

21 Assets held for sale

Prior to 2021, the Group had 35.7% interest in Food Concepts International Limited and 35.61% interest in Food Concepts Pioneer Limited respectively.

Investment in Food Concepts Pioneer Limited (FCPL)

Food Concepts Pioneer Limited was incorporated in Nigeria as a limited liability company. The principal activities of the Company include the production, marketing, sale and distribution of baked products, confectioneries, beverages, cereal flour milling in Nigeria.

At the beginning of 2020, the Company decided to sell its investment in Food Concepts Pioneer Limited (FCPL). Consequently, FCPL was classified as a disposal group held for sale and no share of the profit/loss in FCPL was included in the carrying value of the associate as at 31 December 2020 in accordance with IFRS 5.

Investment in Food Concepts International Limited (FCIL)

Food Concepts International Limited was incorporated in Nigeria as a limited liability company. Food Concepts Plc acquired the shares of a Director (Akinyanju) following the settlement agreement executed in August 2017. The Group's interest in Food Concepts International Limited gave rise to a reciprocal holding.

At the beginning of 2020, the Company decided to sell its investment in Food Concepts International Limited (FCIL). Consequently, FCPL was classified as a disposal group held for sale and no share of the profit/loss in FCPL was included in the carrying value of the associate as at 31 December 2020 in accordance with IFRS 5.

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Food Concepts Pioneer Limited	-	1,059	-	982
Food Concepts International Limited	-	601	-	601
At 31 December	**-**	**1,660**	**-**	**1,583**

21.1 In 2021, the Group disposed its investments in Food Concepts Pioneer Limited and Food Concepts International Limited. The proceeds on disposal were higher than the net carrying value of the assets and as such no impairment loss was recognised. The gain on the disposal of these investments is analysed as follows:

Food Concepts Pioneer Limited	The Group	The Company
	2021	2021
	₦ million	₦ million
Proceeds from disposal	2,139	2,139
Carrying cost	(1,059)	(982)
At 31 December	**1,080**	**1,157**

21.1 Assets held for sale- continued

Food Concepts International Limited	The Group	The Company
	2021	2021
	₦ million	₦ million
Proceeds from disposal	796	796
Carrying cost	(601)	(601)
	195	195
Cost incidental to disposal	(15)	(15)
Gain on disposal of investments (Note 8)	1,260	1,337

22 Inventories

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Food and beverages	1,572	717	1,567	712
Packaging materials	403	180	403	180
Other consumables*	146	112	147	112
	2,121	1,009	2,117	1,004

The inventory is carried at the lower of cost and net realisable value. There was no write down of inventory to net realisable value. Inventory recognised as expense during the year for the group and company amounted to ₦20.3 billion and ₦20.2 billion respectively (2020: ₦9.1 Billion). These were charged to profit or loss and included in raw materials and consumables used. There was no reversal of previously recognised write down of inventory during the year ended 31 December 2021 (2020: Nil).

*Other consumables consist of diesel, gas, cleaning materials and stationery.

23 Trade and other receivables

	NOTE	The Group		The Company	
		2021	2020	2021	2020
		₦ million	₦ million	₦ million	₦ million
Trade receivables	23.1	133	70	133	70
Amount due from related parties	23.2	-	-	236	197
Staff cash advance		89	168	89	168
Other receivables		106	66	107	65
		328	304	565	500
Impairment on trade receivables	23.1.1	(27)	(27)	(27)	(27)
Impairment on due from related party	23.2.1	-	-	(163)	(152)
		301	277	375	321

a) Trade receivables are non-interest bearing and are generally on 30-day terms.

b) Included in other receivables are WHT receivables amounting to N36 million (2020: N36 million).

c) Staff cash advance refers to payments to employees to execute services on behalf of the Company. Also included in this amount are advances to employees for various ongoing construction and asset purchases. These would be retired as either expenses or assets within the next 12 months.

23.1 Reconciliation of gross carrying amount for trade receivables is as follows;

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Gross carrying amount as at 1 January	70	76	70	75
Invoiced during the year	281	190	281	190
Receipts during the year	(218)	(196)	(218)	(195)
Gross Carrying amount as at 31 December	**133**	**70**	**133**	**70**

23.1.1 Reconciliation of loss allowance for trade receivables as at 31 December is as follows;

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Loss allowance as at 1 January	27	27	27	27
Charge for the year	-	-	-	-
Loss allowance as at 31 December	**27**	**27**	**27**	**27**

23.2 Reconciliation of other receivables (Due from related party)

	2021			2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	12 month ECL	Lifetime ECL	Lifetime ECL	12 month ECL	Lifetime ECL	Lifetime ECL
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Gross exposure at default (Note 33)	236	-	-	197	-	-
Loss allowance	(163)	-	-	(152)	-	-
Net exposure at default	73	-	-	45	-	-

23.2.1 Reconciliation of gross carrying amount due from related party is as follows;

	The Company	
	2021	2020
	₦ million	₦ million
Gross carrying amount as at 1 January	197	192
Invoices for the year	5	5
Trade loan	34	-
Gross carrying amount as at 31 December	**236**	**197**

Refer to Note 33 for details on related party

Reconciliation of loss allowance due from related party is as follows;

	The Company	
	2021	2020
	₦ million	₦ million
Loss allowance as at 1 January	152	7
Charge for the year	11	145
Loss allowance as at 31 December	**163**	**152**

24 Prepayments

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Short term lease	12	9	7	9
Prepaid insurance	90	53	90	53
Other prepayments	188	141	186	140
Health insurance	-	4	-	4
Advance to suppliers (24.1)	2,998	1,371	2,998	1,371
	3,288	**1,578**	**3,281**	**1,577**
Current	3,278	1,568	3,271	1,567
Non-current	10	10	10	10
	3,288	**1,578**	**3,281**	**1,577**

24.1 Advance to suppliers relates to various mobilisations fees for ongoing new store constructions yet to be completed, outright purchase of equipment yet to be delivered and advance payment for chicken.

25 Cash and bank balances

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Cash at bank and on hand	722	1,504	715	1,504
Short-term deposits	380	2,040	380	2,040
	1,102	3,544	1,095	3,544
Allowance for impairment*	(70)	(2)	(70)	(2)
	1,032	**3,542**	**1,025**	**3,542**

* Allowance for impairment includes N68 million collected by a mobile money operator - Hackman Microfinance Bank but not yet remitted to the Company's designated bank account as at 31st December 2021.

25.1 For the purposes of the consolidated and separate statement of financial position and statement of cash flows, cash and bank balances comprise the following as at 31 December:

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Cash at bank and on hand	652	1,504	645	1,504
Short-term deposits < 90 days	256	188	256	188
	908	**1,692**	**901**	**1,692**
25.2 Investments				
Short term deposits with maturity > 90 days	124	1,850	124	1,850
Cash and bank balances (Note 25)	**1,032**	**3,542**	**1,025**	**3,542**

25.3 Reconciliation of loss allowance for short term deposits as at 31 December 2021 is as follows;

	The Group 2021	The Group 2020	The Company 2021	The Company 2020
Loss allowance as at 1 January	2	-	2	-
Charge for the year	68	2	68	2
Loss allowance as at 31 December	**70**	**2**	**70**	**2**

26 Authorised shares

	The Group		The Company	
	2021	2020	2021	2020
	Unit Million	₦ million	Unit Million	₦ million
Ordinary shares of ₦ 0.50 each	29,000	29,000	29,000	29,000
	29,000	**29,000**	**29,000**	**29,000**

26.1 Issued shares

	Unit Million	Unit Million	Unit Million	Unit Million
Issued shares of ₦0.50 each	26,497	26,497	26,497	26,497
	26,497	**26,497**	**26,497**	**26,497**

Issued and fully paid share capital

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
At 31 December	**13,250**	**13,250**	**13,250**	**13,250**

Movement in Share Capital

	The Group		The Company	
	Unit Million	₦ million	Unit Million	₦ million
At 1 January 2020	26,208	13,105	26,208	13,105
Issue of shares – Share-based Payment	289	145	289	145
At 31 December 2020	**26,497**	**13,250**	**26,497**	**13,250**
At 31 December 2021	**26,497**	**13,250**	**26,497**	**13,250**

In 2020, the Company issued shares to its key manage ... ıt personnel based on the RSUP share based payment awarded in 2015 and vested annually from 2015 to 2018. ... ›lan had a 2-year restricted period ending in 2020. Under the scheme289,265,319 units of shares were granted exclu ... ; departed employees who forfeited their shares.

26.2 Share premium

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
At 31 December	6,266	6,266	6,266	6,266
Movement in Share Premium				
At 1 January	6,266	6,266	6,266	6,266
At 31 December	**6,266**	**6,266**	**6,266**	**6,266**

Share premium reserves represents the excess of share issued price over the nominal value per share. There was no movement in share premium in the current year.

26.3 Share-based Payment Reserves

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
At 1 January	66	66	66	66
Share-based payment expense	93	-	93	-
At 31 December	**159**	**66**	**159**	**66**

A Description of share-based payment arrangements

As at 31 December 2021, the Group and Company had the Management Incentive Plan (MIP) as its share-based payment arrangement (2020: Restricted Stocks Units Plan (RSUP) and Management Incentive Plan (MIP)):

a) Restricted Stocks Units Plan (RSUP):

The RSUP plan was awarded to qualifying management staff in 2015 and vested annually from 2015 to 2018. The plan had a 2 years restricted period which ended in 2020 and of which shares for the plan were fully allotted accordingly. See Note 26.1

b) Management Incentive Plan (MIP):

The MIP was awarded to qualifying management staff in 2018. The total number of Shares over which Warrants may be granted under the Plan shall not exceed 6% of the ordinary share capital of the Company from time to time. The warrants granted under this plan are awarded based on predetermined tranches and each warrant granted gives the awardee the right (but not the obligation) to buy an ordinary share at N0.62k on the expiration date.

Plan	Grant date	No. of instruments issued	Vesting conditions	Contractual life of option
		Millions		
RSUP	01-Jan-15	289	Being in service over the vesting period subject to both the performance of the Company and individual employee.	4 years
MIP	Tranche 1 - Quarter 3 2018 Tranche 2 - Quarter 2 2019 Tranche 3 - Quarter 1 2020 Tranche 4 - Quarter 1 2021	1,210	Being in service over the vesting period subject to both the performance of the Company and individual employee	5 years

B Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the Restricted Stocks Unit Plan has been measured using the market value of the Company's shares on the grant date.

The MIP share options have been measured using the Black-Scholes-Merton (BSM) methodology. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows

Share based payment plan	RSUP	MIP			
Duration	2015-2018	2018-2023	2019-2023	2020-2023	2021- 2023
Fair value at grant date (Millions)	231	31	19	213	73
Share price at grant date (k)	0.6k	0.6k	0.7k	0.7k	0.8k
Exercise price (k)	0.8k	0.6k	0.6k	0.6k	0.6k
Expected volatility (%)	-	7.29%	12.72%	12.83%	10.87%
Expected life (Years)	4.00	5.00	4.25	3.50	2.50
Risk-free interest rate (%)	-	13.60%	14.35%	10.87%	6.42%
Average staff attrition rate (%)	0%	0%	0%	0%	0%

The employee share options were valued as at the grant dates based on their grant and exercise conditions as stated by the contract. The share price volatility was estimated by analysing the historical share prices of the Company over the last 3 years, using 252 days as business days in the year.

27 Other comprehensive income

27.1 Foreign currency translation reserve

	The Group	
	2021 ₦ million	2020 ₦ million
At 1 January	(168)	(165)
Foreign-exchange translation differences	(11)	(3)
At 31 December	**(179)**	**(168)**

Foreign currency translation reserves relate to differences arising from the translation of the financial statements of foreign operations into the Group's presentation currency i.e. Food Concepts Ghana and Express Foods Franchise International.

28 Contract liabilities

	The Group		The Company	
	2021 ₦ million	2020 ₦ million	2021 ₦ million	2020 ₦ million
Deposit from Franchisees	**62**	**64**	**62**	**64**

This relates to franchisee joining fee received in advance prior to the commencement of trading by the franchisee. This will be recognised in profit or loss when the franchise store is completed and the franchise opens for trading.

29 Deferred Income

	The Group		The Company	
	2021 ₦ million	2020 ₦ million	2021 ₦ million	2020 ₦ million
At 1 January	3	22	3	22
Addition for the year	20	-	20	-
Rental income recognised during the period	(15)	(19)	(15)	(19)
At 31 December	8	3	8	3

Deferred income represents rent received in advance for subleased locations which is amortised over the lease period.

30 Trade and other payables

	The Group		The Company	
	2021 ₦ million	2020 ₦ million	2021 ₦ million	2020 ₦ million
Trade payables	2,560	1,721	2,548	1,702
Statutory liabilities (Note 31)	790	438	788	438
Accruals	492	387	471	366
Other payables	1,225	583	1,223	583
	5,067	**3,129**	**5,030**	**3,089**

Other payables

Provision for year-end bonus	201	136	201	136
Regulatory fees	26	21	26	21
Employee related payable	84	63	84	63
Security deposits	10	20	10	20
Accruals	788	212	787	212
Staled cheques	74	112	74	112
Free Range Farms payables	7	7	7	7
Others	35	12	34	12
	1,225	**583**	**1,223**	**583**

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.

31 Statutory liabilities

Included in statutory liabilities are pay-as-you-earn, pension, consumption tax, withholding tax payable, value added tax, Industrial Training Fund, Employee Compensation Fund and National Housing Fund.

32 Leases

The Group and Company as a lessee

The Group and the Company have lease contracts for rented properties (land and building) with lease terms between 2 to 10 years. The Group and the Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Group and the Company also have certain leases of properties (land and building) with lease terms of 12 months or less. The Group and the Company apply the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-to-use assets	The Group	The Company
	Property lease	Property lease
	₦ million	₦ million
As at 1 January 2020	1,965	1,915
Additions	1,305	1,305
Reversal of Ghana's ROU	(50)	-
Depreciation expense	(184)	(184)
As at 31 December 2020	3,036	3,036
Additions	2,140	2,140
Impact of modification on ROU	198	198
Depreciation expense	(510)	(510)
As at 31 December 2021	**4,864**	**4,864**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease liabilities	The Group	The Company
	₦ million	₦ million
As at 1 January 2020	1,108	1,058
Reversal of Ghana's lease liability*	(50)	-
Additions	394	394
Payments	(424)	(424)
As at 31 December 2020	**1,483**	**1,483**
Additions	636	636
Accretion of interest	272	272
Payments	(344)	(344)
Impact of modification on ROU	121	121
As at 31 December 2021	**2,168**	**2,168**
Current	450	450
Non-current	1,718	1,718
	2,168	**2,168**
As at 31 December 2020		
Current	225	225
Non-current	1,258	1,258
	1,483	**1,483**

The maturity analysis of lease liabilities is disclosed in note 36.4

* Amount includes the lease liability of one of the leased stores in Ghana which was discontinued in 2020. The only operational store in Ghana has also been reassessed as a short-term lease and the lease payments are recognised as expense on a straight-line basis over the lease term.

32.1 For the purpose of cash flow statement, the total cash outflow for leases is analysed as follows:

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Payment made for new lease agreements during the year	1,581	911	1,581	911
Payment made on existing leases during the year	344	424	344	424
Total cash outflows for leases	**1,925**	**1,335**	**1,925**	**1,335**
The following are the amounts recognised in profit or loss:				
Depreciation expense of right-of-use assets	510	50	510	-
Interest expense on lease liabilities	272	455	272	455
Expense relating to short-term leases (included in other expenses)	94	96	82	78
Total amount recognised in profit or loss	**876**	**601**	**864**	**533**

IFRS 16 Leases provides a recognition exemption whereby lessees can choose not to capitalise short term leases instead, recognise any lease payments as an expense, either on a straight-line basis or any systematic basis if that basis is representative of the pattern of the lessee's benefit.

33 Related party transactions

Details of transactions between the Company and its related parties are disclosed below.

	Nature of transaction	Category	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
31 December 2021			₦ million	₦ million	₦ million	₦ million
ADP II Holdings 12 Ltd**	Sale of associate	Shareholder	796	-	-	-
			796	**-**	**-**	**-**
31 December 2020						
Food Concepts Pioneer Limited	Purchase of bread	Associate	-	10	-	2
			-	**10**	**-**	**2**

Details of transactions between the Company and its related parties are disclosed below.

	Nature of transaction	Category	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
			₦ million	₦ million	₦ million	₦ million
31 December 2021						
Food Concepts Ghana Limited*	Sale of spices, trade loan	Subsidiary	39	-	236	-
ADP II Holdings 12 Ltd**	Sale of associate	Shareholder	796	-	-	-
			835	**-**	**236**	**-**
31 December 2020						
Food Concepts Ghana Limited	Sale of spices	Subsidiary	5	-	197	-
Food Concepts Pioneer Limited	Purchase of bread	Associate	-	10	-	2
			5	**10**	**197**	**2**

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. Settlement occurs in cash.

An expense of ₦11 million (2020: ₦145 million) was recognised during the year in respect of impairment loss on amount due from related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

* The trade loan represents a short-term loan to Food Concept Ghana for working capital management and to revamp of the Chicken Republic outlet.

** During the year, the Group disposed its investments in Food Concepts International Limited to one of its major shareholders, ADP II Holdings 12 Ltd. The proceeds on disposal were higher than the net carrying value of the assets and as such no impairment loss was recognised. The gain on the disposal of this investment is analysed in Note 21.1

33.1 Compensation of key management personnel of the Group

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Employee benefits and emolument	494	480	494	480
Defined pension contribution	4	3	4	3
Total compensation paid to key management personnel	**498**	**483**	**498**	**483**

Key management personnel are considered to be designations from senior divisional head levels at the Group and Company. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period. This is included in employee benefits in note 11.

Employee benefits and emolument includes accrual of ₦181m for performance bonus (2020: ₦202m).

Nature of relationship		Nature of transaction	Amount	Due to	Due from
			₦ million	₦ million	₦ million
Key management personnel	2021	Remuneration expenses	498	181	-
	2020	Remuneration expenses	483	202	-

The amount due to key management personnel relates to accrual for bonuses.

33.2 Directors and employees

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Directors remuneration	300	277	300	277
Directors' fee	59	41	59	48
	359	**318**	**359**	**325**
Fees and other emoluments disclosed include amounts paid to:				
Chairman	10	8	10	8
The highest paid Director	**236**	**225**	**236**	**225**

Scale of other Directors' emoluments

	The Group		The Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
₦3,000,001 to ₦6,000,000	3	3	3	3
Above ₦6,000,000	6	6	6	6
	9	**9**	**9**	**9**

33.3 Employees

	The Group		The Company	
	2021	2020	2021	2020
The number of employees other than Directors who earned more than ₦200,000 in the year were as follows:	Number	Number	Number	Number
₦280,001 to ₦480,001	3,641	2,394	3,628	2,382
₦480,001 to ₦720,001	983	179	983	175
₦720,001 to ₦1,000,000	534	327	534	327
₦1,000,001 to ₦3,000,000	571	322	569	319
₦3,000,001 to above	118	87	117	87
	5,847	**3,309**	**5,831**	**3,290**

The number of full-time persons employed as at 31 December 2021 was as follows:

	The Group 2021	The Group 2020	The Company 2021	The Company 2020
Retail outlets	5,067	3,003	5,054	2,987
Administration	780	306	777	303
	5,847	**3,309**	**5,831**	**3,290**

34 Capital Management

For the purpose of the Group and the Company's capital management, capital includes issued share capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group and the Company's capital management is to maximise the shareholder value. In order to achieve this overall objective, the Group and the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any payables in the current period.

The Group and the Company manage its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group and the Company includes within net debt, trade and other payables, borrowing less cash and short-term deposits.

The Group and the Company includes within net debt, trade and other payables, borrowing less cash and short-term deposits.

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Lease liabilities (note 32)	2,168	1,483	2,168	1,483
Trade and other payables (note 31)	5,067	3,129	5,030	3,089
Current tax liabilities	138	90	138	90
	7,373	**4,702**	**7,336**	**4,662**
Less: cash and bank balance including investments (note 25)	(1,032)	(3,542)	(1,025)	(3,542)
Net debt	6,341	1,160	6,311	1,120
Equity	21,063	17,080	21,092	17,038
Equity and net debt	27,404	18,240	27,403	18,158
Gearing	0.30	0.07	0.30	0.07

35 Commitments and contingencies

Capital commitment of ₦391 million relates to balance from various ongoing construction work for which the vendors have been mobilised (see Note 18.4). As at 31 December 2021, the Group and the Company had contingent liabilities of ₦62 million (2020: ₦62 million) in respect of an ongoing legal action for which provisions have not been made.

The contingent liability relates to a legal action from two (2) entities severally against the Company, on the grounds that the Company's activities constitute public nuisance in the form of pollution to their business premises.

A.) A declaration that the reckless disposal of solid and liquid waste materials in Plaintiffs' premises by the Company is illegal, unlawful, unconstitutional and a breach to their right to personal property and enjoyment of same as well as a nuisance to the Plaintiffs and the general public; and

B.) ₦62,000,000 as damages for the unlawful, illegal, indiscriminate, neglect of duties and reckless disposal of solid and liquid waste materials..

The matter has been struck out at the Court for lack of evidence on 17 May 2021, however, the matter was appealed and no new date has been provided for hearing as at the reporting date.

In mitigating its risk, the Company is defending this matter in court assiduously to prove that the case is frivolous given that the Company ensures due care and maintains its business environment in compliance with all public health protocols. The matter is still up for hearing, however the Directors have concluded that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claims and that the ultimate amount that may be paid, if any, on conclusion of the case cannot be reliably determined as at the reporting date. Consequently, these have not been provided for in these financial statements.

36 Financial risk management objectives and policies

Risk Management and policy

The Group and the Company deploy a number of financial instruments in their normal operations. The main purpose of the Group and the Company's financial liabilities is to finance the Group's operations whereas the Group's involvement in financial assets is as a result of its trading or operational activities.

The Group and the Company's involvement in financial instruments exposes it to a number of financial risks which are broadly classified as market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks under the guidance of a risk management framework/policy approved by the Board. The policy covers the Group and the Company's financial risk-taking activities including adequate levels of roles and responsibilities and procedures to ensure that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite. The Board from time to time reviews and agrees policies for managing each of the Group and the Company's financial instrument related risks.

The nature and extent of risks arising from financial instruments which the Group and Company are exposed to are disclosed below:

36.1 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 prices comprise three types of risk: currency risk, interest rate risk and other price risk. The Group and the Company's exposure to market risk is immaterial.

Interest rate risk management

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 Group places surplus funds with its corporate bankers on short term basis. The transaction is strictly between the bank and the Group at a fixed interest rate paid upfront and is not affected by fluctuations in rates during the tenor. Each fixed deposit is agreed at interest rates by a certificate of deposit issued by the bank.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company's exposure to risk of changes in foreign exchange rates relates to bank balances in foreign currencies (US dollar).

Foreign currency sensitivity analysis

The following table details the Group and the Company's sensitivity to a 20% (2020: 7%) increase and decrease in the Naira against the relevant foreign currencies. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes exposure to risk of changes in foreign exchange rates relates to bank balance in foreign currencies and adjusts their translation at the period end for a 20% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Naira strengthens 20% against the relevant currency. For a 20% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative. The Group and the Company's exposure to foreign currency changes for all other currencies is immaterial.

36.1 Market risk - continued

		US Dollar balance	US Dollar impact
	%	$	₦ million
2021 Cash & Cash Equivalents	20%	959,087	81
	-20%		(81)
2020 Cash & Cash Equivalents	7%	102,662	3
	-7%		(3)

The Group and the Company's corporate treasury unit provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and the Company through internal risk reports which analyses exposures by degree and magnitude of risks.

These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risks. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

36.2 Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and the Company's credit risk arises from trade and other receivables, loans, cash and short-term deposits.

Credit risk management

In order to avoid excessive concentrations of risk, the Group and 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.

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The policy provides for credit quality of each customer to be assessed based on an extensive credit analysis and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored using the age analysis information that is generated for management. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Information on the maximum exposure to credit risk at the reporting date, including ageing analysis and impairment allowance is included in Note 23. No collateral was held for trade and other receivables.

Credit risk from balances with banks and short-term deposits is managed by the Group in accordance with its credit risk policy.

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

The gross carrying amount of the Group's financial assets have been disclosed using the days past due criteria and other borrower specific information.

36.2.1 Trade receivables

	Days past due						
31-Dec-2021	**0-30 days**	**31 - 60 days**	**61-90 days**	**91- 180 days**	**181-360 days**	**Above 360 days**	**Total**
Group	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Expected credit loss rate	0%	0%	10%	55%	100%	100%	
Estimated total gross carrying amount at default	73	20	10	8	6	16	133
Expected credit loss	-	-	1	4	6	16	27
31-Dec-2020							
Company							
Expected credit loss rate	0%	38%	39%	100%	95%	47%	
Estimated total gross carrying amount at default	19	10	1	1	7	32	70
Expected credit loss	-	4	0	1	7	15	27

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated in Note 23 and 25.

36.2.1 Credit Risk - continued

The maximum exposure to credit risk as at the reporting date is as detailed in the table below:

	The Group		The Company	
	2021	2020	2021	2020
	₦ million	₦ million	₦ million	₦ million
Trade receivables (Gross) (Note 23.1)	133	70	133	70
Due from other related parties (Gross) (Notes 23.2)	-	-	236	197
Staff cash advance (Note 23)	89	168	89	168
Cash and bank balances including investments*	1,081	3,540	1,080	3,540
Other receivables	106	66	107	65
Receivable from employee	-	-	-	-
Gross amount	**1,409**	**3,844**	**1,645**	**4,040**

* Cash and bank balances exclude cash in hand balances as it has no credit risk.

Expected credit loss measurement - other financial assets

The Group and Company applied the general approach in computing expected credit losses (ECL) for its related party receivables and short-term deposits. The Group and Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expects to receive, discounted at an approximation of the original effective interest rate.

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions with good credit rating by rating agencies. The Group and Company have also assessed as low the credit risk from staff cash advances as these are made to staff that are still in employment with the Company and recoveries are made as salary deductions.

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 ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group and Company consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 4.10 Summary of significant accounting policies and in Note 5.2.1 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2021 and 31 December 2020.

36.3 Fair value measurements

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. The fair values of these assets and liabilities is the same as the current value due to their short maturity profile, and for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair value of the lease liabilities has been determined using the discounted cash flow approach. There are no significant unobservable inputs. There has been no reclassification between fair value levels during the current and preceding years.

The Group	Carrying Amount		Fair value	
Financial assets at amortised cost	**2021**	**2020**	**2021**	**2020**
	₦ million	**₦ million**	**₦ million**	**₦ million**
Trade and other receivables	301	277	-	-
Cash and bank balances including investments (Note 25)	1,032	3,542	-	-
	========	========	========	========
Financial liabilities at amortised costs				
Trade and other payables	5,067	3,129	-	-
Lease Liability	2,168	1,483	1,715	1,165
	========	========	========	========
The Company				
Financial assets at amortised cost				
Trade and other receivables	375	321	-	-
Cash and bank balances including investments (Note 25)	1,025	3,542	-	-
	=========	=========	=========	=========
Financial liabilities at amortised costs				
Trade and other payables	5,030	3,089	-	-
Lease Liability	2,168	1,483	1,715	1,165
	=========	=========	=========	========

We have disclosed no fair value amounts as the management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

36.4 Liquidity Risk

Liquidity risk is the risk that an entity is unable to pay its obligations as and when they fall due. The Group and the Company monitor their risk to a shortage of funds using a recurring liquidity and budgetary planning tool. Data is generated for management regularly to monitor the maturity profile of liabilities to trigger repayments arrangements.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. To achieve this therefore, the Group management performs analysis and maintains good relationship with banks and other financiers.

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

The Group	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total contractual cash flows	Total carrying amounts
31 December 2021	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Lease Liability	206	489	3,973	3,240	7,908	2,168
Trade and other payables	2,560	1,717	-	-	4,277	4,277
	---------------	---------------	---------------	---------------	---------------	---------------
	2,766	**2,206**	**3,973**	**3,240**	**12,185**	**6,445**
	=========	=========	=========	=========	=========	=========
31 December 2020						
Lease Liability	-	-	-	1,483	1,483	1,483
Trade and other payables	1,721	387	583	-	2,691	2,691
	---------------	---------------	---------------	---------------	---------------	---------------
	1,721	**387**	**583**	**1,483**	**4,174**	**4,174**
	=========	=========	=========	=========	=========	=========

36.4 Liquidity Risk - continued

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

31 December 2021	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total contractual cash flows	Total carrying amounts
The Company	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Equity						
Lease Liability	206	489	3,973	3,240	7,908	2,168
Trade and other payables	2,548	1,694	-	-	4,242	4,242
	2,754	**2,183**	**3,973**	**3,240**	**12,150**	**6,410**
31 December 2020						
Lease Liability	-	-	-	1,483	1,483	1,483
Trade and other payables	1,702	366	583	-	2,651	2,651
	1,702	**366**	**583**	**1,483**	**4,134**	**4,134**

37 Events after the reporting period

Liquidation of Express Food Franchise International (EFFI)

The Directors commenced discussion on the liquidation of a wholly owned subsidiary, Express Food Franchise International (EFFI) during the year. Subsequent to year end, the Company's application to strike-off EFFI from the register of companies was approved by the Registrar of Companies, Mauritius in March 2022. All assets of EFFI consolidated in the Group financial statements therefore represent the net realisable value of the subsidiary as at 31 December 2021.

Other than as disclosed above, there are no other events after the reporting date that could have material effect on the Group's and the Company's financial statements that have not been adequately provided or disclosed in these consolidated and separate financial statements.

38 Changes in presentation and classification of comparative information

Certain changes were made to the presentation and classification of line items on the statement of financial position. In 2020, the Company reported short term deposits with maturities greater than 90 days as cash and bank balances (cash and cash equivalents). However, this has been reported as investments in the current year to achieve a fairer presentation.

The changes in short term deposits (investments) were also previously reported under operating activities in the statement of cash flows. However, this has been reported under investing activities in the current year to achieve a fairer presentation.

Further details are shown below:

Statement of Financial Position			The Group			The Company
31 December 2021	As reported in 2020	Reclassification presentation	2020 comparative representation	As reported in 2020	Reclassification presentation	2020 comparative representation
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Assets						
Current assets						
Inventories	1,009	-	1,009	1,004	-	1,004
Trade and other receivables	277	-	277	321	-	321
Prepayments	1,568	-	1,568	1,567	-	1,567
Investments	-	1,850	1,850	-	1,850	1,850
Cash and bank balances	3,542	(1,850)	1,692	3,542	(1,850)	1,692
	6,396	-	6,396	6,434	-	6,434
Assets held for sale	1,660	-	1,660	1,583	-	1,583
Total Current assets	**8,056**	**-**	**8,056**	**8,017**	**-**	**8,017**
Statement of cashflows						
Net cash inflows from operating activities	738	1,831	2,569	739	1,831	2,570
Net cash flows used in investing activities	(3,607)	(1,831)	(5,438)	(3,607)	(1,831)	(5,438)
Net cash flows from financing activities	(1,335)	-	(1,335)	(1,335)	-	(1,335)
Net decrease in cash and cash equivalents	**(4,204)**	**-**	**(4,204)**	**(4,203)**	**-**	**(4,203)**
Impact of exchange fluctuation on cash and cash equivalent	(3)	-	(3)	-	-	-
Cash and cash equivalents at 1 January	5,899	-	5,899	5,895	-	5,895
Cash and cash equivalents at 31 December	**1,692**	**-**	**1,692**	**1,692**	**-**	**1,692**

OTHER NATIONAL DISCLOSURES - VALUE ADDED STATEMENT

For the year ended 31 December 2021

	The Group				The Company			
	2021		2020		2021		2020	
	₦ million	%	₦ million	%	₦ million	%	₦ million	%
Revenue from continuing operation	36,377		18,157		36,223		18,023	
Other operating income	1,694		44		1,755		43	
Finance income	83		304		83		304	
	………..	………..	………..	………..	………..	………..	………..	………..
	38,154		**18,505**	**-**	**38,061**		**18,370**	
Deduct cost of goods and service:								
Local	(26,037)		(12,287)		(25,901)		(12,353)	
	………..	………..	………..	………..	………..	………..	………..	………..
Value added	**12,117**	**100**	**6,218**	**100**	**12,160**	**100**	**6,017**	**100**
	======	======	======	=======	======	======	======	======
Applied as follows:		%		%		%		%
To Employee:								
- as salaries and labour related expenses	4,884	40	3,175	51	4,872	40	3,160	52
To provider of finance								
- interest	272	2	455	7	272	2	455	8
To Government:								
- as minimum taxes	92	1	46	1	92	1	46	1
- as company income taxes	1,226	10	430	7	1,226	10	386	6
- as levies*	47	1	48	1	47	1	42	1
Retained in the Business								
- depreciation and amortisation	1,695	14	910	15	1,690	14	903	15
- to augment reserves	3,901	32	1,154	19	3,961	32	1,025	17
	………..	………..	………..	………..	………..	………..	………..	………..
	12,117	**100**	**6,218**	**100**	**12,160**	**100**	**6,017**	**100**
	======	======	=======	======	=======	======	=======	======

***** Levies are regulatory payments to local government such as business permit, packing permit, radio/TV permit etc.

The value added represents the wealth created through the use of the Group's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

FIVE YEAR FINANCIAL SUMMARY FOR THE GROUP

For the year ended 31 December 2021

The Group - Year ended 31st December	2021	2020	2019	2018	2017
Profit or loss and other comprehensive income	₦ million	₦ million	₦ million	₦ million	₦ million
Revenue from continuing operation	36,377	18,157	13,837	9,088	6,751
Profit/(loss) before taxation	5,219	1,630	2,602	1,470	(713)
Profit/(loss) for the year	3,901	1,154	1,996	1,433	(713)
Total comprehensive income/(loss) for the year	3,890	1,151	2,019	1,551	(730)
Basic earnings/(loss) per share	0.15	0.04	0.08	0.28	(0.14)
Diluted earnings/(loss) per share	0.15	0.04	0.08	0.08	(0.05)

	2021	2020	2019	2018	2017
	₦ million	₦ million	₦ million	₦ million	₦ million
Employment of funds					
Property, plant & equipment	17,352	10,137	7,136	4,210	3,735
Intangible assets	1,521	1,462	1,320	1,267	1,274
Right-of-use asset	4,864	3,036	1,965	-	-
Prepayment-Non current	10	10	-	264	-
Investment in associates	-	-	1,660	1,545	1,085
Net current assets/(liabilities)	1,007	4,545	5,163	1,055	(959)
Non-current liabilities	(3,691)	(2,110)	(1,371)	(1,659)	(4,501)
	21,063	**17,080**	**15,873**	**6,682**	**634**
Funds employed					
Share capital	13,250	13,250	13,105	2,922	2,922
Share premium account	6,266	6,266	6,180	4,700	4,700
Share-based payment reserves	159	66	241	-	-
Accumulated losses	1,567	(2,334)	(3,488)	(5,364)	(6,793)
Deposit for shares	-	-	-	4,501	-
Fair value changes/foreign exchange difference on convertible loan option	-	-	-	111	-
Foreign currency translation reserve	(179)	(168)	(165)	(188)	(195)
	21,063	**17,080**	**15,873**	**6,682**	**634**
Net asset per share (kobo)	**79**	**64**	**54**	**114**	**11**

BRANDS CUSTOMERS LOVE

FIVE YEAR FINANCIAL SUMMARY FOR THE COMPANY

For the year ended 31 December 2021

The Company - Year ended 31st December	2021	2020	2019	2018	2017
Profit or loss and other comprehensive income	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Revenue from continuing operation	36,223	18,023	13,638	8,874	6,530
Profit/(loss) before taxation	5,279	1,501	2,540	1,358	(916)
Profit/(loss) for the year	3,961	1,025	1,934	1,321	(916)
Total comprehensive income/(loss) for the year	3,961	1,025	1,934	1,432	(916)
Basic earnings/(loss) per share	0.15	0.04	0.08	0.23	(0.16)
Diluted earnings/(loss) per share	00.15	0.04	0.08	0.07	(0.06)

	2021	2020	2019	2018	2017
	₦ million	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Employment of funds					
Property, plant & equipment	17,286	10,092	7,090	4,148	3,658
Intangible assets	1,521	1,462	1,320	1,267	1,274
Right-of-use asset	4,864	3,036	1,915	-	-
Prepayment – non-current	10	10	-	264	-
Investment in subsidiary	2	2	2	2	2
Investment in associates	-	-	1,583	1,583	1,248
Net current assets/(liabilities)	1,100	4,546	5,418	1,246	(745)
Non-current liabilities	(3,691)	(2,110)	(1,371)	(1,659)	(4,501)
Net assets	**21,092**	**17,038**	**15,957**	**6,851**	**936**
Funds employed					
Share capital	13,250	13,250	13,105	2,922	2,922
Share premium account	6,266	6,266	6,180	4,700	4,700
Share-based payment reserves	159	66	241		
Accumulated losses	1,417	(2,544)	(3,569)	(5,383)	(6,686)
Fair value changes/foreign exchange difference on convertible loan option	-	-	-	111	-
Deposit for shares	-	-	-	4,501	-
	21,092	**17,038**	**15,957**	**6,851**	**936**
Net asset per share (kobo)	**80**	**64**	**66**	**135**	**19**

FOOD CONCEPTS PLC

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of Food Concepts Plc will be held at Moremi Hall, Sheraton Hotel, Mobolaji Bank-Anthony Way, Ikeja, Lagos State on Thursday 30th June 2022 at 11.00am, when there will be transacted the following businesses:

Ordinary Business

(1) To lay before the meeting the Audited Financial Statements of the Company for the accounting period ended 31st December 2021 and the Reports of the Directors, Auditors and Audit Committee thereon.

(2) To declare a final dividend.

(3) To re-elect directors.

(4) To authorise the directors to determine the remuneration of the Independent Auditors.

(5) To disclose the remuneration of Managers of the Company.

(6) To elect members of the Audit Committee.

Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

(1) To fix the remuneration of the Directors.

(2) THAT the appointment of the following as Directors of the Company be and are hereby ratified and approved.

- i. Mrs. Yemisi Akinbo (Non-Executive)
- ii. Mr. Benjamin Dabrah (Non-Executive)
- iii. Mr. Kofi Abunu (Managing Director)
- iv. Dr. Ikenna Okongwu (Executive Director)

(3) That the Directors be and are hereby authorized to raise, whether by way of a public offering, private/special placement, rights issue or other methods, additional capital as may be necessary through the issuance of shares, or other process all of which shall be as determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

(1) That the Directors be and hereby authorised to amend Clause 3 (Objects clause) of the Company's Memorandum of Association to include the following manufacturing clause:

To carry on business as manufacturers, producers of, and dealers in, food stuff and food products of every description whether for human, animal or poultry consumption, fish, milk, butter, cream, cheese, oil, fruits, vegetables, pastries, confectionery, sweet-meats, sugar, jams, jellies, pickles, drinks, beverages or as distillers and masters in all its branches and to manufacture, process, prepare, preserve, can, refine, bottle, buy, sell and deal whether as wholesalers or retailers or as exporters or importers or as principals or agents in foods, poultry, meats, egg, vegetables, canned and tinned and processed foods, deep frozen foods including sea foods, deep frozen vegetables, deep frozen cooked and semi cooked varieties of food, preserved fruits, protein, health and instant foods of all kinds including cereals, beverages, cordials, tonics, restoratives and aerated mineral waters and food stuffs and consumable provisions of every description for human or animal consumption and to carry on business in all natural, artificial, synthetic or chemical edible food colour.

By Order of the Board

Dated the 21st day of April 2022

Mrs. Josephine A. Y. Johnson, ACIS
Company Secretary

REGISTERED OFFICE
2, Ilupeju Bye Pass, Ilupeju, Lagos.

Proxy

In view of the COVID-19 pandemic, the restriction on mass gatherings and in line with the Guidelines issued by the Corporate Affairs Commission on holding AGMs using proxies, attendance at AGM shall be by proxy only. Consequently, a member entitled to attend and vote at the AGM is advised to select from the underlisted proposed proxies to attend and vote in his stead.

(i) Mr. Babatunde Fajemirokun (Non-Executive Director)

(ii) Dr. Anthonia Agbonifo (Executive Director)

(iii) Mrs. Josephine Johnson (Company Secretary)

(iv) Mr. Peter Eyanuku (Audit Committee)

(v) Mr. Salau Mohammed Adebanjo (Audit Committee)

A form of proxy is attached to the Annual Report and will also be available on the Company's website www@foodconceptsplc.com and that of the Registrars www.meristemregistrars.com. For the appointment to be valid for the purposes of the meeting, all instruments of Proxy must be completed and deposited at the office of the Registrar, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, or via e-mail: info@meristemregistrars.com not less than 48 hours before the time for holding the meeting. The Company has made arrangements to bear the cost of stamp duties on the instrument of proxy.

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from Monday 6th June 2022 to Friday, 10th June 2022 (both dates inclusive) to enable the Registrar to update its records.

Dividend

If the final dividend recommended by the Directors is approved, dividend will be paid on Thursday, 28th October 2022, to shareholders whose names are registered in the Register of Members as at the close of business on Friday, 3rd June 2022 and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their Bank accounts.

E-Dividend

Notice is hereby given to all shareholders to open/furnish bank accounts for the purpose of dividend payment. A detachable application form for the e-dividend is attached to the Annual Report to enable all shareholders to furnish particulars of their bank accounts to the Registrar as soon as possible. The E-Dividend Mandate Activation Form is also available on the website of our Registrar: www.meristemregistrars.com.

Shareholders who are yet to complete the e-dividend registration are advised to complete the Registrar's E-Dividend Mandate Activation Form provided on page 99 of this Annual Report and submit it to the Registrar.

Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act 2020, a nomination (in writing) by any member or a shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the date of the Annual General Meeting.

Right of Shareholders to Ask Questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions should be addressed to the Company Secretary and submitted to the registered office of the Company at least 1 week before the meeting.

Electronic Annual Report

The soft copy of the 2021 Annual Report is available for viewing and download on our website www.foodconceptsplc.com and that of the Registrar www.meristemregistrars.com and has been sent to our shareholders who have updated their records with their e-mail addresses to the Registrar.

Live Streaming of the AGM

The AGM will be streamed live online. This will enable shareholders and relevant stakeholders who will not be attending the meeting physically to also be part of the proceedings. The link for the live streaming will be made available on the Company's website www.foodconceptsplc.com and by the Registrar, in due course.

Unclaimed Dividend

Shareholders are hereby informed that some dividends have remained unclaimed or are yet to be presented for payment or returned to the Registrar for revalidation. The list of all unclaimed dividends will be circulated to all affected shareholders and they are advised to contact the Registrar, Meristem Registrars, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, or via e-mail: info@meristemregistrars.com to resolve any issue they may have with claiming the dividends.

Form of Proxy

I / We ....

....

Of ....

....

Being a member of Food Concepts Plc hereby appoint

....

....

Of ....

....

Or failing him/her

....

....

Of ....

....

Number of shares		
RESOLUTIONS	**for**	**against**
Ordinary Business		
To lay before the meeting the Audited Financial Statements of the Company for the period ended 31st December 2021.		
To declare a final dividend.		
To re-elect as Director, Mr. Babacar Ka.		
To re-elect as Director, Mr. Adefolarin Ogunsanya.		
To authorise the directors to determine the remuneration of the Auditors.		
To disclose the remuneration of managers.		
To elect members of the Audit Committee.		
Special Business		
To fix remuneration of directors.		
To ratify & approve the appointments of: Mrs. Yemisi Akinbo Mr. Benjamin Dabrah Mr. Kofi Abunu Dr. Ikenna Okongwu		
To authorise the Directors to raise, whether by way of a public offering, private/special placement, rights issue or other methods, additional capital as may be necessary through the issuance of shares, or other process all of which shall be as determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.		
To amend the Objects clause of the Memorandum of Association to include a manufacturing clause.		

Please indicate with an "x" in the appropriate box how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

As my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held at Moremi Hall, Sheraton Hotel, Mobolaji Bank-Anthony Way, Ikeja, Lagos, on Thursday 30th of June 2022 at 11am at any adjournment thereof.

Signed this .... day of 2022

....

Signature

FOOD CONCEPTS PLC

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

This service costs ₦150.00 per approved Mandate per Company.

MERISTEM

E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

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

The Registrar
Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

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

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

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2, Ilupeju Bye Pass, Ilupeju

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