



**UAC of Nigeria Plc**  
**Unaudited Financial Statements for the period**  
**ended 31 March 2017**

**UAC of Nigeria Plc**  
**Index to the unaudited consolidated financial statements**  
**for the period ended 31 March 2017**

<b>Note</b>		<b>Page</b>
	Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
	Consolidated Statement of Financial Position	2
	Consolidated Statements of changes in equity	3
	Consolidated cash flow statements	4
	Notes to the consolidated financial statements	5
1	General information	5
2	Summary of significant accounting policies	5
3	Segment analysis	6
4	Other gains/(losses)	7
5	Expenses by Nature and Function	7
6	Net finance income/(cost)	8
7	Earnings per share	9
8	Property, plant and equipment	10
9	Intangible assets and Goodwill	11
10	Investment property	12
11	Available for Sale Financial Assets	13
12	Investments in associates and equity accounted joint ventures	13
13	Inventories	14
14	Properties under construction included in inventories	14
15	Trade and other receivables	15
16	Cash and cash equivalents	16
17	Borrowings	17
18	Trade and other payables	18
19	Government grant	18
20	Deferred revenue	18
21	Dividend Payable	18
22	Provisions	19
23	Share capital	20
24	Reconciliation of profit before tax to cash generated from operations	20

**UAC of Nigeria Plc**

**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the period ended 31 March 2017**

	Notes	The Group	
		31 Mar 17 N'000	31 Mar 16 N'000
Revenue	3	24,972,577	17,665,099
Cost of sales		(20,843,609)	(13,688,015)
<b>Gross profit</b>		<b>4,128,969</b>	<b>3,977,084</b>
Other operating income	4	137,894	266,690
Selling and distribution expenses	5	(824,067)	(915,271)
Administrative expenses	5	(1,669,349)	(1,665,788)
Other operating losses	4(i)	(3,369)	-
<b>Operating profit</b>		<b>1,770,077</b>	<b>1,662,715</b>
Finance income	6	557,951	230,392
Finance cost	6	(1,784,614)	(793,952)
Net finance (cost) / income		(1,226,663)	(563,559)
Share of profit/loss of associates and joint venture using the equity method	12.3	286,074	664,242
<b>Profit before tax</b>		<b>829,488</b>	<b>1,763,398</b>
Income Tax Expense		(223,962)	(446,708)
<b>Profit for the year</b>		<b>605,526</b>	<b>1,316,690</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		549,594	786,703
Non controlling interests		55,932	529,986
		<b>605,526</b>	<b>1,316,690</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		549,594	786,703
Non controlling interests		55,932	529,986
		<b>605,526</b>	<b>1,316,690</b>
Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):			
<b>Basic Earnings Per Share</b>	7	29	41
<b>Diluted Earnings Per Share</b>	7	29	41

**UAC of Nigeria Plc**

**Unaudited Consolidated Statement of Financial Position  
as at 31 March 2017**

	Notes	The Group	
		31 Mar 17 N'000	31 Dec 16 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	34,960,184	35,270,673
Intangible assets and goodwill	9	1,660,902	1,675,935
Investment property	10	19,990,234	19,870,234
Investments in associates and joint ventures	12	19,589,690	19,696,279
Available-for-sale financial assets	11	19,197	19,197
Prepayment	15	16,647	13,402
Deferred tax asset		174,339	145,977
		76,411,192	76,691,696
<b>Current assets</b>			
Inventories	13	37,380,032	36,805,193
Trade and other receivables	15	18,466,860	15,187,085
Cash and Cash equivalents (excluding bank overdrafts)	16	11,365,962	9,545,585
		67,212,854	61,537,863
<b>Total assets</b>		<b>143,624,046</b>	<b>138,229,559</b>
<b>Equity and Liabilities</b>			
Ordinary share capital	23	960,432	960,432
Share premium	23	3,934,536	3,934,536
Contingency reserve	23	28,575	28,575
Available-for-sale reserve		(5,561)	(5,561)
Retained earnings		42,049,898	41,500,304
<b>Equity attributable to equity holders of the Company</b>		<b>46,967,880</b>	<b>46,418,286</b>
<b>Non controlling interests</b>		<b>30,103,185</b>	<b>30,047,253</b>
<b>Total equity</b>		<b>77,071,066</b>	<b>76,465,540</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	17	5,155,890	5,275,238
Deferred tax liabilities		4,927,709	4,791,901
Government grant	19	3,088	9,214
Deferred revenue	20	4,915	4,600
Provisions	22	22,123	22,123
		10,113,724	10,103,075
<b>Current liabilities</b>			
Trade and other payables	18	18,976,435	17,919,261
Current income tax liabilities		4,942,003	4,885,789
Bank overdrafts and current portion of borrowings	17	27,343,270	24,521,196
Dividend payable	21	4,491,619	3,682,512
Government grant	19	208,277	226,652
Deferred revenue	20	352,896	300,778
Provisions	22	124,757	124,757
		56,439,256	51,660,944
<b>Total liabilities</b>		<b>66,552,980</b>	<b>61,764,019</b>
<b>Total equity and liabilities</b>		<b>143,624,046</b>	<b>138,229,559</b>

The financial statements and the notes on pages 5 to 20 were approved and authorised before issue by the board of directors on 27 April 2017 and were signed on its behalf by:

Mr Larry E. Ettah



**GMD/CEO** FRC/2013/IODN/00000002692

Mr. Abdul A. Bello



**ED/CFO** FRC/2013/ICAN/0000000724

The notes on pages 5 to 20 are an integral part of these financial statements.

UAC of Nigeria Plc  
**Unaudited Consolidated Statement of Changes in Equity**  
**for the year ended 31 March 2017**

<b>The Group</b>									
	Notes	Attributable to owners of the Company					Non controlling Interest N'000	Total N'000	
		Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for sale Reserve N'000	Retained Earnings N'000			Total N'000
<b>Balance at 1 January 2017</b>		960,432	3,934,536	28,575	(5,561)	41,500,304	46,418,286	30,047,253	76,465,540
Transfer to contingency reserve		-	-	-	-	-	-	-	-
Profit and loss		-	-	-	-	549,594	549,594	55,932	605,526
<b>Transactions with Equity holders</b>									
Dividends		-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>		960,432	3,934,536	28,575	(5,561)	42,049,898	46,967,880	30,103,185	77,071,066

<b>The Group</b>									
	Notes	Attributable to owners of the Company					Non controlling Interest N'000	Total N'000	
		Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for sale Reserve N'000	Retained Earnings N'000			Total N'000
<b>Balance at 1 January 2016</b>		960,432	3,934,536	28,575	(5,504)	39,670,420	44,588,460	29,553,564	74,142,024
Profit and loss		-	-	-	-	786,703	786,703	529,986	1,316,690
<b>Transactions with Equity holders</b>									
Dividends		-	-	-	-	-	-	-	-
<b>Balance at 31 March 2016</b>		960,432	3,934,536	28,575	(5,504)	40,457,124	45,375,163	30,083,551	75,458,714

<b>UAC of Nigeria Plc</b>			
<b>Unaudited Consolidated statement of cash flow for the period ended 31 March 2017</b>			
		<b>The Group</b>	
	<b>Notes</b>	<b>31 Mar 17 N'000</b>	<b>31 Mar 16 N'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	24	(1,982,201)	42,266
Corporate tax paid		(441,089)	-
VAT paid		(531,215)	(80,352)
Interest received		557,951	230,392
Interest paid		(1,744,074)	(768,407)
<b>Net cash flow (used in)/generated from operating activities</b>		<b>(4,140,628)</b>	<b>(576,100)</b>
<b>Cash flows from investing activities</b>			
Purchase of Intangible assets		(9,505)	(1,034)
Purchase of property, plant and equipment		(385,053)	(286,620)
Proceeds from sale of property, plant and equipment		65,782	112,145
Purchase of investment properties		(120,000)	(11,052)
Dividend from UPDC REIT		392,664	664,242
Recovery of previously impaired loan		-	10,000
<b>Net cash generated from investing activities</b>		<b>(56,112)</b>	<b>487,682</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,370,180	2,100,000
Repayment of borrowings		(515,709)	(381,103)
Acquisition of right issue/additional shares -Portland Paints Plc		(660,036)	(109,883)
<b>Net cash flow used in financing activities</b>		<b>194,434</b>	<b>1,609,014</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>		<b>(4,002,306)</b>	<b>1,520,596</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>8,895,371</b>	<b>7,374,776</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	16(i)	<b>4,893,065</b>	<b>8,895,371</b>

## **UAC of Nigeria Plc**

### NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### **1. General information**

UAC of Nigeria Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The Group is a diversified business with activities in the following principal sectors: Foods, Logistics, Real Estate and paints. The address of the registered office is 1-5, Odunlami Street, Lagos.

The company is a public limited company, which is listed on the Nigerian Stock Exchange domiciled in Nigeria.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with IAS 34. The financial statements have been prepared on a historical cost basis except for investment property, held for trading and available for sale financial instruments which are carried at fair value.

##### **2.2 Accounting Policies**

The accounting policies adopted are consistent with those for the year ended 31 December 2016.

##### **2.3 Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

##### **2.4 Financial Risk Management**

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

This interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2016. There have been no changes in the risk management structure since year end or in any risk management policy.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**3. Segment Analysis**

**The Group**

The chief operating decision-maker has been identified as the Executive Committee (Exco), made up of the executive directors of the company. The Exco reviews the Group's internal reporting in order to assess performance and allocate resources.

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

**Food and Beverage** - Made up of business units involved in the manufacturing and sale of food items, livestock feeds, bottled water, fruit juices, ice-cream and quick service restaurants.

**Paints** - Made up of business units involved in the manufacturing and sale of paints products and other decoratives.

**Logistics** - Made up of a business unit involved in rendering logistics and supply chain services including warehousing, transportation and redistribution services.

**Real Estate** - Made up of a business unit involved in real estate development, management and owners of Golden Tulip Hotel, Festac, Lagos.

**Others** - These are non-reportable segments made up of two medium size entities within the group involved in pension fund administration services and the corporate head office.

The following measures are reviewed by Exco; with **Profit Before Tax** taken as the segment profit.

- Revenue to third parties
- Operating profit
- Profit before tax
- Property, plant and equipment
- Net assets
- EBIT Margin
- Return On Equity

	<b>Food and Beverages</b>	<b>Paints</b>	<b>Logistics</b>	<b>Real Estate</b>	<b>Others</b>	<b>Total</b>
<b>31 March 2017</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Total Revenue	19,843,151	2,281,723	1,300,420	1,974,058	296,004	<b>25,695,355</b>
Intergroup revenue	(300,619)	(4,804)	(157,828)	(45,241)	(214,287)	<b>(722,778)</b>
Revenue to third parties	19,542,532	2,276,919	1,142,592	1,928,817	81,717	<b>24,972,577</b>
Operating profit	1,326,393	522,631	200,975	(115,150)	(164,772)	<b>1,770,077</b>
Profit before tax	804,471	586,433	255,734	(1,151,366)	334,216	<b>829,487</b>
Share of profit of associates and joint venture	-	-	-	286,074	-	<b>286,074</b>
Property, plant and equipment	16,885,447	1,482,850	3,656,804	12,188,758	746,325	<b>34,960,184</b>
Net assets	19,844,149	3,510,605	5,675,002	32,872,749	15,168,560	<b>77,071,066</b>

	<b>Food and Beverages</b>	<b>Paints</b>	<b>Logistics</b>	<b>Real Estate</b>	<b>Other</b>	<b>Total</b>
<b>31 March 2016</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Total Revenue	13,564,555	2,273,954	1,238,898	683,490	252,923	<b>18,013,820</b>
Intergroup revenue	(180)	-	(157,828)	(32,498)	(158,215)	<b>(348,721)</b>
Revenue to third parties	13,564,375	2,273,954	1,081,070	650,992	94,708	<b>17,665,099</b>
Operating profit	1,095,337	561,027	261,176	(138,818)	(116,008)	<b>1,662,715</b>
Profit before tax	833,812	559,750	293,483	(125,290)	201,644	<b>1,763,398</b>
Share of profit of associates and joint venture	-	-	-	664,242	-	<b>664,242</b>
Property, plant and equipment	16,951,034	1,298,342	3,700,754	12,471,112	849,431	<b>35,270,673</b>
Net assets	19,465,945	2,656,142	5,104,499	35,446,422	13,792,531	<b>76,465,540</b>

**Entity wide information**

Analysis of revenue by category:

Sale of goods

Revenue from services

<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
<b>N'000</b>	<b>N'000</b>
23,748,268	16,584,029
1,224,310	1,081,070
<b>24,972,577</b>	<b>17,665,099</b>

Analysis of revenue by geographical location:

Nigeria

Ivory Coast

<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
<b>N'000</b>	<b>N'000</b>
24,959,238	17,637,907
13,339	27,192
<b>24,972,577</b>	<b>17,665,099</b>

**Concentration risk**

The group is not exposed to any concentration risk, as there is no single customer with a contribution to revenue of more than 10%.



**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**4. Other operating income**

	<b>The Group</b>	
	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
	<b>N'000</b>	<b>N'000</b>
Profit on sales of Property, Plant and Equipment	17,973	8,532
Profit on sales of Investment Property	-	1,000
Recovery of previously impaired loan	-	10,000
Government grant (See note 19)	24,501	31,674
Other income*	95,420	215,483
<b>Total other operating income</b>	<b>137,894</b>	<b>266,690</b>

**\*Other income**

Other income includes sales commission received on sales of third party properties, service charges and income from professional services, insurance claims, sales of scraps etc.

**4(i). Other operating losses**

	<b>The Group</b>	
	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
	<b>N'000</b>	<b>N'000</b>
Loss on sales of Property, Plant and Equipment	(3,369)	-
<b>Total other operating losses</b>	<b>(3,369)</b>	<b>-</b>

**5(a) . Expenses by nature**

	<b>The Group</b>	
	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
	<b>N'000</b>	<b>N'000</b>
Changes in inventories of finished goods and work in progress	17,863,820	11,550,149
Write off of inventories to net realisable value	-	-
Personnel expenses	1,729,929	1,652,918
Depreciation	642,277	634,169
Amortisation of intangibles	24,378	30,997
(Recovery from)/allowance for receivables impairment	138,775	(310,367)
Royalty fees	29,241	27,052
Rents & Rates	258,604	216,303
Electricity & power	491,466	349,030
Vehicles repairs, maintenance & fueling	113,024	85,860
Other repairs & maintenance	239,759	211,330
Auditors' remuneration	39,000	54,871
Information Technology	80,512	54,181
Legal expenses	9,367	30,565
Donations & Subscriptions	32,399	54,884
Insurance	38,246	31,450
Distribution expenses	414,861	385,839
Marketing, Advertising & Communication	198,035	255,774
Sundry office expenses	993,334	954,068
	<b>23,337,026</b>	<b>16,269,074</b>

**5(b). Expenses by function**

*Analysed as:*

Cost of sales	20,843,609	13,688,015
Selling and distribution expenses	824,067	915,271
Administrative expenses	1,669,349	1,665,788
	<b>23,337,026</b>	<b>16,269,074</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**6. Net finance income/(cost)**

	<b>The Group</b>	
	<b>31 Mar 2017</b> N'000	<b>31 Mar 2016</b> N'000
Interest income on short-term bank deposits	557,951	230,392
<b>Finance Income</b>	<b>557,951</b>	<b>230,392</b>
Interest on bank loans	1,652,211	630,635
Interest on bank overdraft	91,863	137,771
Government grant	40,541	25,545
<b>Finance Costs</b>	<b>1,784,614</b>	<b>793,952</b>
<b>Net finance (cost) / income</b>	<b>(1,226,663)</b>	<b>(563,559)</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**7. Earnings Per Share**

*(a) Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	<b>The Group</b>	
	<b>2017</b>	2016
	<b>N'000</b>	N'000
<b>Profit attributable to ordinary equity shareholders:</b>		
Profit from continuing operations	549,594	786,703
<b>Basic earnings per share</b>		
From continuing operations	29	41
From profit for the period	29	41
<b>Diluted earnings per share</b>		
From continuing operations	29	41
From profit for the period	29	41
	<b>The Company</b>	
	<b>2017</b>	2016
	<b>Number</b>	Number
Basic weighted average and Diluted weighted average number of shares (000)	<b>1,920,864</b>	1,920,864

*(b) Diluted*

Diluted earnings per share is the same as basic earnings per share because there is no potential ordinary shares during the period.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**8. Property, plant and equipment**

**The Group**

<b>Cost:</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Office Furniture</b>	<b>Capital Work in progress</b>	<b>Total</b>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2016	25,166,287	17,938,237	979,930	4,510,594	2,665,931	2,474,226	53,735,205
Additions	142,760	464,786	78,393	379,775	44,591	729,184	1,839,488
Disposals	(141,694)	(396,992)	(6,514)	(630,456)	(33,937)	-	(1,209,593)
Transfers	-	10,484	-	-	150	(10,634)	-
Write Off	-	(20,002)	(5,217)	(20,003)	(3,705)	-	(48,926)
Reclassifications	205,510	238,262	8,474	70,875	916	(524,036)	-
Other reclassifications	-	12,151	7,480	-	-	(93,807)	(74,176)
<b>At 31 December 2016</b>	<b>25,372,864</b>	<b>18,246,925</b>	<b>1,062,546</b>	<b>4,310,785</b>	<b>2,673,946</b>	<b>2,574,934</b>	<b>54,241,999</b>
At 1 January 2017	25,372,864	18,246,925	1,062,546	4,310,785	2,673,946	2,574,934	54,241,999
Additions	6,473	81,077	42,875	91,413	56,973	106,242	385,053
Disposals	-	(9,504)	(10,133)	(74,546)	(6,890)	(2,800)	(103,872)
Write Off*	(192,034)	-	-	(20)	-	-	(192,054)
Reclassifications	13,363	-	-	-	-	(39,770)	(26,407)
Other reclassifications**	-	-	-	(437)	-	-	(437)
<b>At 31 March 2017</b>	<b>25,200,666</b>	<b>18,318,499</b>	<b>1,095,289</b>	<b>4,327,195</b>	<b>2,724,030</b>	<b>2,638,606</b>	<b>54,304,282</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2016	3,773,918	7,929,402	622,173	3,160,981	2,148,697	-	17,635,171
Charge for the year	575,101	1,242,749	137,389	291,928	136,120	-	2,383,288
Disposals	(48,137)	(285,334)	(6,454)	(629,124)	(33,732)	-	(1,002,780)
Write Off	-	(17,587)	(5,117)	(18,002)	(3,645)	-	(44,352)
<b>At 31 December 2016</b>	<b>4,300,882</b>	<b>8,869,229</b>	<b>747,991</b>	<b>2,805,783</b>	<b>2,247,441</b>	<b>-</b>	<b>18,971,327</b>
At 1 January 2017	4,300,882	8,869,229	747,991	2,805,783	2,247,441	-	18,971,327
Charge for the year	188,381	304,953	39,719	84,001	25,223	-	642,277
Disposals	-	(9,452)	(10,119)	(51,267)	(6,682)	-	(77,519)
Write Off*	(191,974)	-	-	(12)	-	-	(191,986)
<b>At 31 March 2017</b>	<b>4,297,290</b>	<b>9,164,731</b>	<b>777,592</b>	<b>2,838,505</b>	<b>2,265,982</b>	<b>-</b>	<b>19,344,098</b>
<b>Net book values:</b>							
<b>At 31 March 2017</b>	<b>20,903,376</b>	<b>9,153,768</b>	<b>317,697</b>	<b>1,488,690</b>	<b>458,048</b>	<b>2,638,606</b>	<b>34,960,184</b>
<b>At 31 December 2016</b>	<b>21,071,982</b>	<b>9,377,696</b>	<b>314,555</b>	<b>1,505,001</b>	<b>426,506</b>	<b>2,574,934</b>	<b>35,270,673</b>

\*Assets written off include fully depreciated assets no longer in use and damaged assets identified during the period.

\*\*Other reclassifications are assets that were transferred to/from PPE, to/from Intangible asset and Investment properties due to change in the use. Also, cost relating to SAP ERP implementation accumulated in PPE was transferred to intangible asset during the period.

*The non-current assets are not pledged as security by the group.*

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**9. Intangible assets and goodwill**

	<b>Group</b>			
	<b>Goodwill</b>	<b>Brands &amp; Trade Marks</b>	<b>Software</b>	<b>Total</b>
Cost	N'000	N'000	N'000	N'000
At 1 January 2016	548,747	1,070,185	1,072,503	2,691,435
Additions - externally acquired during the year	-	-	40,673	40,673
Transfers	-	-	-	-
<b>At 31 December 2016</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,113,175</b>	<b>2,732,108</b>
At 1 January 2017	548,747	1,070,185	1,113,175	2,732,108
Additions - externally acquired during the year	-	-	9,505	9,505
Transfers	-	-	(300)	(300)
<b>At 31 March 2017</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,122,381</b>	<b>2,741,313</b>
Accumulated amortisation and impairment				
At 1 January 2016	-	288,439	540,349	828,788
Amortisation for the year	-	-	227,385	227,385
<b>At 31 December 2016</b>	<b>-</b>	<b>288,439</b>	<b>767,734</b>	<b>1,056,173</b>
At 1 January 2017	-	288,439	767,734	1,056,173
Amortisation for the period	-	-	24,378	24,378
Transfers	-	-	(140)	(140)
<b>At 31 March 2017</b>	<b>-</b>	<b>288,439</b>	<b>791,972</b>	<b>1,080,411</b>
Net book values				
<b>At 31 March 2017</b>	<b>548,747</b>	<b>781,746</b>	<b>330,409</b>	<b>1,660,902</b>
<b>At 31 December 2016</b>	<b>548,747</b>	<b>781,746</b>	<b>345,442</b>	<b>1,675,935</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**10. Investment property**

Fair value	The Group		Total investment properties N'000
	Freehold building N'000	Leasehold building N'000	
At 1 January 2016	720,735	19,314,592	20,035,327
Additions during the year	-	19,743	19,743
Reclassification from property stocks held as inventories	-	312,845	312,845
Disposals	-	(2,125,050)	(2,125,050)
Net gain/(loss) from fair value adjustments on investment property	-	1,627,369	1,627,369
<b>At 31 December 2016</b>	<b>720,735</b>	<b>19,149,499</b>	<b>19,870,234</b>
At 1 January 2017	720,735	19,149,499	19,870,234
Additions during the period	120,000	-	120,000
<b>At 31 March 2017</b>	<b>840,735</b>	<b>19,149,499</b>	<b>19,990,234</b>

Fair value of investment properties is categorised as follows:

	31-Mar-17	The Group		Total investment properties N'000
		Freehold building N'000	Leasehold building N'000	
External valuation		840,735	19,149,499	19,990,234
		840,735	19,149,499	19,990,234

Fair value of investment properties is categorised as follows:

	31-Dec-16	The Group		Total investment properties N'000
		Freehold building N'000	Leasehold building N'000	
External valuation		720,735	19,149,499	19,870,234
		720,735	19,149,499	19,870,234

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**11. Available for Sale financial assets**

The details and carrying amount of available for sale financial assets are as follows:

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
Opening Balance as at 1 January	19,197	19,308
Fair value Loss on available-for-sale financial assets	-	(112)
	<b>19,197</b>	<b>19,197</b>

**The Group**

Available for sale financial assets represent investment in quoted shares in the following Companies: First Bank of Nigeria Ltd, United Bank for Africa Plc, Zenith Bank Plc, Africa Prudential Registrars Plc and UBA Capital Plc.

**12. Investments in associates and equity accounted joint ventures**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
<b>Associate</b>		
UPDC's Investment in UPDC REIT	19,214,990	19,214,990
<b>Joint Ventures</b>		
First Festival Mall Limited	301,093	407,683
Transit Village Dev. Co. Ltd*	73,606	73,606
<b>At 31 December</b>	<b>19,589,690</b>	<b>19,696,279</b>

\*Transit Village JV is not yet operational. The company's investment represents the seed capital contributed towards acquiring the land for the project.

**12.1 Investments in Associate**

Investments in Associate above represents UPDC's investment in REIT as at 31st March 2017. The associate as stated above have share capital consisting solely of ordinary shares, which are directly held by the group. The country of incorporation or registration is also their principal place of business.

**12.2 Investments in Joint Ventures**

All joint ventures are primarily set up for projects. The investments in Joint Venture were measured at cost.

The movement in the investment in joint ventures during the year is stated below:

	<b>2017</b> N'000	<b>2016</b> N'000
At 1 January	481,289	2,088,068
(Note 17.3)	(106,590)	173,256
Impairment of investment in UPDC Metro City Limited	-	(244,170)
Reclassification of investment in James Pinnock to Property Under Construction	-	(1,535,865)
<b>At 31 March</b>	<b>374,699</b>	<b>481,289</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**12.3 Share of profit of Associates and Joint Ventures using the equity method**

	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
Share of profit in REIT (Associate)*	392,664	664,242
Share of loss of First Festival Mall Limited (Joint Venture)**	(106,590)	-
<b>Total</b>	<b>286,074</b>	<b>664,242</b>

**\*Share of profit in REIT (Associate)**

UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT) at a capital value of N26.7 billion listed on the Nigerian Stock Exchange (NSE) on 1 July, 2013. The REIT is a property fund backed by five (5) major investment properties located in Lagos, Abuja and Aba. The REIT's income comprises of rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets. UPDC held 61.5% of the fund at 31 March 2017. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the period.

The revaluation gain is not distributable until the affected investment properties are disposed.

**\*\*Share of loss of First Festival Mall Limited (Joint Venture)**

First Festival Mall reported a loss of N236.87 million for the period ended 31 March 2017. The share of the Group of this based on UPDC's 45% share holding is N106.59 million.

**13. Inventories**

	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
Raw materials and consumables	22,144,412	20,540,489
Technical stocks and spares	1,412,388	1,508,031
Properties under construction (Note 14)	11,547,504	12,672,131
Finished goods and goods for resale	2,275,728	2,084,541
	<b>37,380,031</b>	<b>36,805,193</b>

All inventory above are carried at cost at all the periods reported.

**14. Properties under construction included in inventories**

	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
Cost/Valuation		
Balance 1 January	12,672,131	12,166,714
Additions	188,648	5,021,016
Disposals	(1,313,275)	(2,346,900)
Reclassification as investment properties	-	(368,732)
Provision for Manor Gardens	-	(132,936)
Other Losses from completed projects	-	(1,695,579)
Unrealised gain on transfer of asset	-	28,548
<b>Balance 31 March</b>	<b>11,547,504</b>	<b>12,672,131</b>



<b>15. Trade and other receivables</b>		<b>The Group</b>	
Receivables due within one year		<b>2017</b>	2016
		N'000	N'000
Trade receivables		4,888,620	4,714,069
Less: allowance for impairment of trade receivables		(1,583,473)	(1,444,698)
<b>Net trade receivables</b>		<b>3,305,147</b>	<b>3,269,371</b>
Other receivables		11,837,951	9,116,701
Advance payments		744,053	243,047
WHT receivable		1,080,640	906,323
Prepayments - staff grants		204,032	242,803
Prepayments- Other		1,295,037	1,408,841
		<b>18,466,860</b>	<b>15,187,085</b>
<p>Trade receivables are non-interest bearing and are generally due for settlement within 30 days and therefore are all classified as current. They are amounts due from customers for goods sold or services performed in the ordinary course of business.</p> <p>Other receivables are amounts that generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.</p> <p>Advance payments are mobilisation fees made to contractors for the supply of goods and services.</p>			
		<b>The Group</b>	
		<b>2017</b>	2016
		N'000	N'000
Prepayments - Current		1,499,069	1,651,643
Prepayments - Non-current		16,647	13,402
<b>Total prepayments</b>		<b>1,515,715</b>	<b>1,665,045</b>
<p>The balance on prepayment represent rent and insurance paid in advance which will be charged against earnings in the periods they relate to.</p> <p>Movements in the allowance for impairment of trade receivables are as follows:</p>			
		<b>The Group</b>	
		<b>2017</b>	2016
		N'000	N'000
At 1 January		1,444,698	1,755,065
Allowance for receivables/(recovery from) impairment		138,775	(310,367)
<b>At 31 March</b>		<b>1,583,473</b>	<b>1,444,698</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**16. Cash and cash equivalents**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
Cash at bank and in hand	1,517,736	861,217
Short-term deposits	9,848,226	8,684,368
<b>Cash and short-term deposits</b>	<b>11,365,962</b>	<b>9,545,585</b>

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

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

In 2015, Securities and Exchange Commission directed all Registrars to return all unclaimed dividends, which have been in their custody for fifteen months and above, to the paying companies. Included in the cash and short-term deposits is **N2.96b** which represents unclaimed dividends received from Africa Prudential Registrars as at March 2017.

**(i) Reconciliation to statement of cash flow**

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
Cash and short-term deposits	11,365,962	9,545,585
Bank Overdrafts (Note 17)	(6,472,897)	(4,649,637)
<b>Balances per statement of cash flow</b>	<b>4,893,065</b>	<b>4,895,948</b>

**17. Borrowings**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
<b>Current borrowings</b>		
Overdrafts due within one year	6,472,897	4,649,637
Commercial papers due within one year	20,870,373	19,871,559
	<b>27,343,270</b>	<b>24,521,196</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	5,155,890	5,275,238
<b>Total borrowings</b>	<b>32,499,160</b>	<b>29,796,434</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 31 March 2017**

**17. Borrowings (Continued)**

The borrowings are repayable as follows:

	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
Within one year	27,343,270	24,521,196
Between one to two years	-	-
Between two to three years	5,126,566	5,231,746
More than three years	29,324	43,492
	<b>32,499,160</b>	<b>29,796,434</b>

**(i) Loans due after one year**

<b>Group</b>	<b>Amount due</b>	
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
<b>Details of the loan maturities due after one year are as follows:</b>		
<b>Facility</b>		
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	1,068,045	1,148,148
PPPNP-Bank of Industry	29,324	43,492
CAP - Stanbic IBTC	58,521	83,598
	<b>1,155,890</b>	<b>1,275,238</b>
<b>Term Loan:</b>		
UPDC - Guaranty Trust Bank	2,000,000	2,000,000
UPDC - First Securities Discount House	2,000,000	2,000,000
	<b>5,155,890</b>	<b>5,275,238</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**18. Trade and other payables**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
Trade payables	4,197,247	4,897,420
Provision for employee leave	19,971	23,182
Other payables	7,510,045	7,382,804
Advance from customers	949,095	1,346,480
Accruals	6,300,076	4,269,376
<b>Total</b>	<b>18,976,435</b>	<b>17,919,261</b>

**Terms and conditions of the above financial liabilities**

Trade payables are non-interest bearing and are normally settled between 30 and 60-day terms.

Other payables are non-interest bearing and have an average term of six months.

Advance from customers are deposits or down-payments received from customers for products.

Accruals relates to accrued professional fees, accrued consultants fees, accrued audit fees and other accrued expenses.

**19. Government grant**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
<b>At 1 January</b>	<b>235,866</b>	<b>260,761</b>
Amount received during the period	-	197,619
Released to the statement of profit or loss	(24,501)	(222,515)
<b>At 31 March</b>	<b>211,365</b>	<b>235,866</b>
Current	208,277	226,652
Non-current	3,088	9,214
	<u>211,365</u>	<u>235,866</u>

Government grant relates to government facilities received by two entities – Livestock Feeds PLC and Portland Paints and Products Nigeria PLC, at below-market rates of interest. The facilities are meant to assist in the procurement of certain items of plant and machinery. In both entities, the grants are recognised as deferred income and amortised to profit or loss on a systematic basis over the useful life of the asset in line with their respective accounting policies.

**20. Deferred revenue**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
<b>At 1 January</b>	<b>305,378</b>	<b>323,112</b>
Deferred during the period	251,123	708,984
Released to the statement of profit or loss	(198,691)	(726,718)
<b>At 31 March</b>	<b>357,811</b>	<b>305,378</b>
Current	352,896	300,778
Non-current	4,915	4,600
	<u>357,811</u>	<u>305,378</u>

Deferred revenue are rentals received in advance which are recognized in the statement of profit or loss when earned.

The Group and Company lease a number of premises. These are subject to review dates ranging from 1 year to 2 years.

**21. Dividend payable**

	<b>The Group</b>	
	<b>2017</b> N'000	<b>2016</b> N'000
As at 1 January	3,682,512	2,759,611
Dividend declared	-	1,920,864
Dividend paid during the year	-	(1,863,293)
Unclaimed dividend refunded	809,107	865,330
<b>At 31 March</b>	<b>4,491,619</b>	<b>3,682,512</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**22. Provisions**

<b>The Group</b>	Contingent Liabilities N'000	Legal claim N'000	Decommissioning liability N'000	Total N'000
At 1 January 2017	50,000	74,757	22,123	146,880
Unwinding of discount	-	-	-	-
Derecognised liabilities	-	-	-	-
Arising during the period	-	-	-	-
<b>31 March 2017</b>	<b>50,000</b>	<b>74,757</b>	<b>22,123</b>	<b>146,880</b>
Current	50,000	74,757	-	124,757
Non-current	-	-	22,123	22,123
At 1 January 2016	50,000	60,023	23,578	133,601
Unwinding of discount	-	-	2,042	2,042
Derecognised liabilities	-	-	(3,497)	(3,497)
Arising during the year	-	14,734	-	14,734
<b>31 December 2016</b>	<b>50,000</b>	<b>74,757</b>	<b>22,123</b>	<b>146,880</b>
Current	50,000	74,757	-	124,757
Non-current	-	-	22,123	22,123

**Contingent liabilities**

The contingent liability arose from the fair value of assets acquired, liabilities assumed and the non-controlling interest of Portland Paints Plc at the acquisition date. The contingent liability was a Garnishee order arising from legal claim. A judgement fees of N50 million was imposed by the lower court, but the Group is challenging the judgement at the Supreme court for resolution. The group is also looking at out of court settlement currently”.

**Legal claim**

In June 2014, an award was made against the group in respect of a legal claim made by a claimant. The award requires a payment of \$136,805 rent and service charges to the claimant. A provision has been recognised for this amount. However, we have applied for stay of execution of the award and also filed an application for the setting aside of the award for being null and void. No payment has been made to the claimant pending outcome of the stay of execution. The Lagos high court is currently reviewing the case.

**Decommissioning liability**

A subsidiary of the company (UAC Restaurants Limited) has a number of leasehold properties converted to Restaurants, which are required by agreements to be restored back to their original condition upon the expiry of the leases. Decommissioning Liability relates to the provisions made for decommissioning costs relating to these properties. Management has applied its best judgement in determining the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rate and currency exchange rates amongst others, were considered in this estimate. 18% discount rate for the unwinding of the discount on the liability was determined using the "Capital Asset Pricing Model". The obligation is expected to crystalise in 2030.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the period ended 31 March 2017**

**23. Share Capital**

Group and Company

	2017	
	Number 000	Amount N'000
<b>Authorised:</b>		
Ordinary Shares of 50k each	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000
<b>Total authorised share capital</b>	<b>3,400,000</b>	<b>1,700,000</b>
<b>Issued and fully paid:</b>		
Ordinary shares of 50k each	1,920,864	960,432
<b>Total called up share capital</b>	<b>1,920,864</b>	<b>960,432</b>

**Movements during the period:**

	Group and Company	
	Number of shares 000	Ordinary shares =N='000
<b>At 31 December 2016</b>	<b>1,920,864</b>	<b>960,432</b>
Capitalised during the period	-	-
<b>At 31 March 2017</b>	<b>1,920,864</b>	<b>960,432</b>

**Nature and purpose of Other Reserves**

*Share Premium*

Section 120.2 of Companies and Allied Matters Act requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium. The Share premium is to be capitalised and issued as scrips as approved by shareholders from time to time.

*Contingency Reserve*

The contingency reserve covers an appropriation of surplus or retained earnings that may or may not be funded, indicating a reservation against a specific or general contingency. The contingency reserve represents the transfer to statutory reserve of 12.5% of the profit after tax of UNICO CPFA Limited in line with section 69 of the Pension Reform Act 2004 (2014 as amended).

**24. Reconciliation of profit before tax to cash generated from operations**

	Group	
	2017 N'000	2016 N'000
<b>Profit before tax</b>	829,488	1,763,398
Adjustment for net finance (income)/costs	1,226,663	563,559
<b>Operating profit</b>	<b>2,056,151</b>	<b>2,326,957</b>
Amortisation of intangible assets	24,378	38,426
Share of associate and joint ventures' profit	(286,074)	(664,242)
Depreciation	642,277	693,923
Interest on government grant	40,541	25,545
Profit on sale of tangible PPE	(17,973)	(8,532)
Loss on sale of tangible PPE	3,369	-
Profit or loss on sale of Investment Properties	-	(1,000)
<b>Operating cash flows before movements in</b>	<b>2,462,668</b>	<b>2,411,077</b>
Movements in working capital:		
Inventories	(574,839)	(2,934,064)
Trade and other receivables	(3,279,775)	(351,303)
Trade and other payables	(590,256)	916,557
<b>Net cash from/(used in) operations</b>	<b>(1,982,201)</b>	<b>42,266</b>