



UAC of Nigeria Plc
Unaudited Financial Statements for the period
ended 30 June 2017

UAC of Nigeria Plc
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for the period ended 30 June 2017

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UAC of Nigeria Plc

**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 June 2017**

	Notes	The Group			
		3 months to June 2017 N'000	6 months to June 2017 N'000	3 months to June 2016 N'000	6 months to June 2016 N'000
Revenue	3	23,475,334	48,447,911	19,137,859	36,802,958
Cost of sales		(19,950,071)	(40,793,680)	(14,950,781)	(28,638,796)
Gross profit		3,525,263	7,654,231	4,187,078	8,164,162
Other operating income	4	1,216,860	1,354,754	247,138	513,827
Selling and distribution expenses	5	(901,818)	(1,725,885)	(843,263)	(1,758,534)
Administrative expenses	5	(1,800,851)	(3,470,201)	(1,876,472)	(3,542,261)
Other operating losses	4(i)	(108,841)	(112,210)	(48,450)	(48,450)
Operating profit		1,930,613	3,700,690	1,666,031	3,328,745
Finance income	6	454,392	1,012,343	397,657	628,049
Finance cost	6	(1,723,256)	(3,507,870)	(199,765)	(993,717)
Net finance (cost) / income		(1,268,864)	(2,495,528)	197,891	(365,668)
Share of profit/loss of associates and joint venture using the equity method	12.3	143,604	429,678	305,949	970,191
Profit before tax		805,353	1,634,840	2,169,871	3,933,269
Income Tax Expense		(216,131)	(440,093)	(859,434)	(1,306,142)
Profit for the year		589,221	1,194,747	1,310,437	2,627,127
Total comprehensive income for the period net of tax		589,221	1,194,747	1,310,437	2,627,127
Profit attributable to:					
Equity holders of the parent		492,905	999,450	745,741	1,495,040
Non controlling interests		96,316	195,298	564,696	1,132,087
		589,221	1,194,747	1,310,437	2,627,127
Total comprehensive income attributable to:					
Equity holders of the parent		492,905	999,450	745,741	1,495,040
Non controlling interests		96,316	195,298	564,696	1,132,087
		589,221	1,194,747	1,310,437	2,627,127
Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):					
Basic Earnings Per Share	7	26	52	39	78
Diluted Earnings Per Share	7	26	52	39	78

UAC of Nigeria Plc

**Unaudited Consolidated Statement of Financial Position
as at 30 June 2017**

	Notes	The Group	
		30 Jun 17 N'000	31 Dec 16 N'000
Assets			
Non-current assets			
Property, plant and equipment	8	34,498,159	35,270,673
Intangible assets and goodwill	9	1,676,833	1,675,935
Investment property	10	18,995,814	19,870,234
Investments in associates and joint ventures	12	19,483,099	19,696,279
Available-for-sale financial assets	11	19,197	19,197
Prepayment	15	16,647	13,402
Deferred tax asset		145,977	145,977
		74,835,725	76,691,696
Current assets			
Inventories	13	31,561,723	36,805,193
Trade and other receivables	15	23,191,246	15,187,085
Cash and Cash equivalents (excluding bank overdrafts)	16	8,054,645	9,545,585
		62,807,614	61,537,863
Total assets		137,643,339	138,229,559
Equity and Liabilities			
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		40,578,889	41,500,304
Equity attributable to equity holders of the Company		45,496,872	46,418,286
Non controlling interests		28,593,323	30,047,253
Total equity		74,090,194	76,465,540
Liabilities			
Non-current liabilities			
Borrowings	17	4,072,766	5,275,238
Deferred tax liabilities		4,927,709	4,791,901
Government grant	19	9,226	9,214
Deferred revenue	20	4,245	4,600
Provisions	22	22,123	22,123
		9,036,068	10,103,075
Current liabilities			
Trade and other payables	18	20,342,505	17,919,261
Current income tax liabilities		3,736,128	4,885,789
Bank overdrafts and current portion of borrowings	17	25,467,050	24,521,196
Dividend payable	21	4,341,938	3,682,512
Government grant	19	196,013	226,652
Deferred revenue	20	308,686	300,778
Provisions	22	124,757	124,757
		54,517,077	51,660,944
Total liabilities		63,553,145	61,764,019
Total equity and liabilities		137,643,339	138,229,559

The financial statements and the notes on pages 5 to 20 were approved and authorised before issue by the board of directors on 26 July 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 period ended 30 June 2017

The Group								
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		
Balance at 1 January 2017	960,432	3,934,536	28,575	(5,561)	41,500,304	46,418,286	30,047,253	76,465,540
Profit and loss	-	-	-	-	999,450	999,450	195,298	1,194,747
Transactions with Equity holders								
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(1,649,228)	(3,570,092)
Balance at 30 June 2017	960,432	3,934,536	28,575	(5,561)	40,578,889	45,496,872	28,593,323	74,090,194

The Group								
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		
Balance at 1 January 2016	960,432	3,934,536	28,575	(5,504)	39,670,420	44,588,460	29,553,564	74,142,024
Profit and loss	-	-	-	-	1,495,040	1,495,040	1,132,087	2,627,127
Transactions with Equity holders								
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(1,018,685)	(2,939,549)
Balance at 30 June 2016	960,432	3,934,536	28,575	(5,504)	39,244,596	44,162,635	29,666,967	73,829,602

UAC of Nigeria Plc			
Unaudited Consolidated statement of cash flow for the period ended 30 June 2017			
		The Group	
	Notes	30 Jun 17 N'000	30 Jun 16 N'000
Cash flows from operating activities			
Cash generated from/(used in) operations	24	6,225,165	3,556,397
Corporate tax paid		(886,322)	(1,205,403)
VAT paid		(101,879)	(211,898)
Interest received		1,012,343	628,049
Interest paid		(3,467,330)	(892,079)
Net cash flow (used in)/generated from operating activities		2,781,978	1,875,067
Cash flows from investing activities			
Purchase of Intangible assets		(83,980)	(31,495)
Purchase of property, plant and equipment		(495,994)	(695,857)
Proceeds from sale of property, plant and equipment		63,740	174,261
Purchase of investment properties		(126,482)	(19,741)
Proceeds from sale of investment properties		1,000,902	2,500
Income distribution from UPDC REIT		642,857	970,191
Recovery of previously impaired loan		-	10,000
Net cash generated from investing activities		1,001,043	409,859
Cash flows from financing activities			
Dividends paid to non controlling interests		(1,649,228)	(1,018,685)
Dividends paid to Company shareholders		(1,791,549)	(1,863,293)
Proceeds from borrowings		170,179	16,224,056
Repayment of borrowings		(1,379,470)	(14,984,733)
Subscription - Rights issue of Portland Paints and Livestock Feeds Plc		(1,400,286)	(109,883)
Net cash flow used in financing activities		(6,050,355)	(1,752,538)
Net (decrease)/increase in cash & cash equivalents		(2,267,334)	532,388
Cash & cash equivalents at the beginning of the year		4,895,948	7,403,773
Cash & cash equivalents at the end of the period after adjusting for bank overdraft	16(i)	2,628,359	7,936,161

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 30 June 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

	Food and Beverages	Paints	Logistics	Real Estate	Others	Total
30 June 2017	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	39,315,134	4,524,112	2,511,886	2,985,928	535,587	49,872,646
Intergroup revenue	(612,420)	(11,476)	(366,085)	(65,370)	(369,384)	(1,424,735)
Revenue to third parties	38,702,713	4,512,636	2,145,801	2,920,558	166,203	48,447,911
Operating profit	2,232,432	936,548	340,467	303,156	(111,913)	3,700,690
Profit before tax	1,301,107	1,042,006	447,771	(2,020,076)	864,032	1,634,840
Share of profit of associates and joint venture	-	-	-	429,678	-	429,678
Property, plant and equipment	16,580,185	1,498,213	3,618,278	12,074,720	726,762	34,498,159
Net assets	17,763,065	3,152,682	4,706,730	31,960,731	16,506,986	74,090,194

	Food and Beverages	Paints	Logistics	Real Estate	Other	Total
30 June 2016	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	28,631,318	4,312,683	2,605,390	1,746,569	517,571	37,813,530
Intergroup revenue	(460,066)	(13,905)	(111,929)	(93,214)	(331,458)	(1,010,572)
Revenue to third parties	28,171,251	4,298,777	2,493,461	1,653,355	186,113	36,802,958
Operating profit	2,161,036	1,079,015	544,318	(212,893)	(242,731)	3,328,746
Profit before tax	1,652,031	1,080,994	624,339	122,244	453,662	3,933,269
Share of profit of associates and joint venture	-	-	-	970,191	-	970,191
Property, plant and equipment	17,081,944	1,300,636	3,635,407	12,419,964	832,722	35,270,673
Net assets	19,614,776	2,081,501	5,329,623	35,608,445	13,831,196	76,465,540

Entity wide information

Analysis of revenue by category:

Sale of goods

Revenue from services

30 Jun 2017	30 Jun 2016
N'000	N'000
46,135,907	34,123,384
2,312,004	2,679,574
48,447,911	36,802,958

Analysis of revenue by geographical location:

Nigeria

Ivory Coast

30 Jun 2017	30 Jun 2016
N'000	N'000
48,434,572	36,775,766
13,339	27,192
48,447,911	36,802,958

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
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4. Other operating income

	The Group	
	30 Jun 2017	30 Jun 2016
	N'000	N'000
Profit on sales of Property, Plant and Equipment	8,965	8,849
Profit on sales of Investment Property	481,433	3,611
Government grant (See note 19)	30,627	91,820
Other income*	833,728	399,548
Total other operating income	1,354,754	513,827

***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

	The Group	
	30 Jun 2017	30 Jun 2016
	N'000	N'000
Loss on sales of Property, Plant and Equipment	(1,603)	(19,450)
Loss on sales of Investment Property	-	(29,000)
Losses on completed projects*	(110,606)	-
Total other operating losses	(112,210)	(48,450)

***Losses on completed projects**

Losses on ongoing projects are losses emanating from the project accounts upon completion.

5(a) . Expenses by nature

	The Group	
	30 Jun 2017	30 Jun 2016
	N'000	N'000
Changes in inventories of finished goods and work in progress	34,260,422	22,825,095
Personnel expenses	3,902,091	3,696,041
Depreciation	1,231,368	1,281,953
Amortisation of intangibles	82,921	32,385
Allowance for /(recovery from) receivables impairment	162,503	(310,367)
Royalty fees	57,542	56,440
Rents & Rates	311,421	522,094
Electricity & power	547,223	512,030
Vehicles repairs, maintenance & fueling	491,346	362,665
Other repairs & maintenance	508,444	533,046
Auditors' remuneration	95,975	92,151
Information Technology	176,716	149,425
Legal expenses	7,767	49,718
Donations & Subscriptions	58,934	37,252
Insurance	86,295	70,903
Distribution expenses	1,111,813	1,073,088
Marketing, Advertising & Communication	407,606	461,418
Sundry office expenses	2,489,378	2,494,252
	45,989,766	33,939,590

5(b). Expenses by function

<i>Analysed as:</i>		
Cost of sales	40,793,680	28,638,796
Selling and distribution expenses	1,725,885	1,758,534
Administrative expenses	3,470,201	3,542,261
	45,989,766	33,939,590

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Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 2017

6. Net finance income/(cost)

	The Group	
	30 Jun 2017 N'000	30 Jun 2016 N'000
Interest income on short-term bank deposits	1,012,343	628,049
Finance Income	1,012,343	628,049
Interest on bank loans	3,226,311	700,725
Interest on bank overdraft	241,018	191,354
Government grant	40,541	101,638
Finance Costs	3,507,870	993,716
Net finance (cost) / income	(2,495,528)	(365,667)

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Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 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.

	The Group	
	2017	2016
	N'000	N'000
Profit attributable to ordinary equity shareholders:		
Profit from continuing operations	999,450	1,495,040
Basic earnings per share		
From continuing operations	52	78
From profit for the period	52	78
Diluted earnings per share		
From continuing operations	52	78
From profit for the period	52	78
	The Company	
	2017	2016
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	1,920,864	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.

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Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 2017

8. Property, plant and equipment

The Group

Cost:	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	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)
At 31 December 2016	25,372,864	18,246,925	1,062,546	4,310,785	2,673,946	2,574,934	54,241,999
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	134,288	272,593	61,983	115,620	(1,383)	(87,108)	495,994
Disposals	-	(103,141)	(488)	(138,236)	(8,915)	(2,800)	(253,580)
Write Off*	(192,034)	(19,932)	(28,048)	(24,695)	(25,346)	(121)	(290,175)
Reclassifications	13,363	-	-	-	200	(13,563)	-
Other reclassifications**	-	-	2,148	-	-	(28,318)	(26,170)
At 30 June 2017	25,328,481	18,396,445	1,098,142	4,263,474	2,638,504	2,441,197	54,166,241
Accumulated depreciation and impairment							
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)
At 31 December 2016	4,300,882	8,869,229	747,991	2,805,783	2,247,441	-	18,971,327
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	285,669	630,734	70,719	177,868	66,377	-	1,231,368
Disposals	-	(114,936)	(2,673)	(121,895)	(7,825)	-	(247,329)
Write Off*	(192,064)	(19,780)	(27,904)	(22,220)	(25,317)	-	(287,283)
At 30 June 2017	4,394,487	9,365,248	788,134	2,839,536	2,280,677	-	19,668,082
Net book values:							
At 30 June 2017	20,933,994	9,031,197	310,008	1,423,938	357,827	2,441,197	34,498,159
At 31 December 2016	21,071,982	9,377,696	314,555	1,505,001	426,506	2,574,934	35,270,673

*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, Capital WIP, Intangible assets and Investment properties due to change in the use or resulting from Project completion during the period.

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

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Notes to the Unaudited Consolidated Financial Statements
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9. Intangible assets and goodwill

	Group			
	Goodwill	Brands & Trade Marks	Software	Total
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
At 31 December 2016	548,747	1,070,185	1,113,175	2,732,108
At 1 January 2017	548,747	1,070,185	1,113,175	2,732,108
Additions - externally acquired during the year	-	-	83,980	83,980
Transfers	-	-	(300)	(300)
At 30 June 2017	548,747	1,070,185	1,196,855	2,815,788
Accumulated amortisation and impairment				
At 1 January 2016	-	288,439	540,349	828,788
Amortisation for the year	-	-	227,385	227,385
At 31 December 2016	-	288,439	767,734	1,056,173
At 1 January 2017	-	288,439	767,734	1,056,173
Amortisation for the period	-	-	82,921	82,921
Transfers	-	-	(140)	(140)
At 30 June 2017	-	288,439	850,515	1,138,954
Net book values				
At 30 June 2017	548,747	781,746	346,341	1,676,833
At 31 December 2016	548,747	781,746	345,442	1,675,935

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Notes to the Unaudited Consolidated Financial Statements
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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
At 31 December 2016	720,735	19,149,499	19,870,234
At 1 January 2017	720,735	19,149,499	19,870,234
Additions during the period	120,000	6,482	126,482
At 30 June 2017	840,735	18,155,079	18,995,814

Fair value of investment properties is categorised as follows:

	30-Jun-17	The Group		Total investment properties N'000
		Freehold building N'000	Leasehold building N'000	
External valuation		840,735	18,155,079	18,995,814
		840,735	18,155,079	18,995,814

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

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11. Available for Sale financial assets

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

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

The Group

Available for sale financial assets represent investment in quoted shares by Livestock Feeds Plc 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

	The Group	
	2017 N'000	2016 N'000
Associate		
UPDC's Investment in UPDC REIT	19,214,990	19,214,990
Joint Ventures		
First Festival Mall Limited	194,503	407,683
Transit Village Dev. Co. Ltd*	73,605	73,606
At 30 June	19,483,099	19,696,279

*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 30th June 2017. The associate as stated above has share capital consisting solely of ordinary shares, which are directly held by UPDC.

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:

	2017 N'000	2016 N'000
At 1 January	481,289	2,088,068
(Note 17.3)	(213,180)	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)
At 30 June	268,108	481,289

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

	The Group	
	2017 N'000	2016 N'000
Share of profit in REIT (Associate)*	642,858	970,191
Share of loss of First Festival Mall Limited (Joint Venture)**	(213,180)	-
Total	429,678	970,191

***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 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 30 June 2017. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the period.

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

First Festival Mall reported a loss of N473.73 million for the period ended 30 June 2017. UPDC's share of the loss amounting to N213.18 million is based on its 45% shareholding in the Mall

13. Inventories

	The Group	
	2017 N'000	2016 N'000
Raw materials and consumables	16,242,589	20,540,489
Technical stocks and spares	1,521,377	1,508,031
Properties under construction (Note 14)	11,391,731	12,672,131
Finished goods and goods for resale	2,406,026	2,084,541
	31,561,723	36,805,193

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

14. Properties under construction included in inventories

	The Group	
	2017 N'000	2016 N'000
Cost/Valuation		
Balance 1 January	12,672,131	12,166,714
Additions	263,048	5,021,016
Disposals	(1,543,447)	(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
Balance 30 June	11,391,731	12,672,131

15. Trade and other receivables		
	The Group	
Receivables due within one year	2017 N'000	2016 N'000
Trade receivables	4,573,433	4,714,069
Less: allowance for impairment of trade receivables	(1,607,200)	(1,444,698)
Net trade receivables	2,966,233	3,269,371
Other receivables	16,381,012	9,116,701
Advance payments	1,086,619	243,047
WHT receivable	1,115,216	906,323
Prepayments - staff grants	296,391	242,803
Prepayments- Other	1,345,775	1,408,841
	23,191,246	15,187,085
<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>		
	The Group	
	2017 N'000	2016 N'000
Prepayments - Current	1,642,166	1,651,643
Prepayments - Non-current	16,647	13,402
Total prepayments	1,658,813	1,665,045
<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>		
	The Group	
	2017 N'000	2016 N'000
At 1 January	1,444,698	1,755,065
Allowance for /(recovery from) receivables impairment	162,503	(310,367)
At 30 June	1,607,200	1,444,698

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16. Cash and cash equivalents

	The Group	
	2017 N'000	2016 N'000
Cash at bank and in hand	1,246,000	861,217
Short-term deposits	6,808,645	8,684,368
Cash and short-term deposits	8,054,645	9,545,585

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.

Included in the cash and short-term deposits is **N2.96b** which represents unclaimed dividends received from Africa Prudential Registrars Ltd as at June 2017 in line with SEC directives.

(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:

	The Group	
	2017 N'000	2016 N'000
Cash and short-term deposits	8,054,645	9,545,585
Bank Overdrafts (Note 17)	(5,426,286)	(4,649,637)
Balances per statement of cash flow	2,628,359	4,895,948

17. Borrowings

	The Group	
	2017 N'000	2016 N'000
Current borrowings		
Overdrafts due within one year	5,426,286	4,649,637
Commercial papers due within one year	20,040,764	19,871,559
	25,467,050	24,521,196
Non-current borrowings		
Loans due after one year (i)	4,072,766	5,275,238
Total borrowings	29,539,816	29,796,434

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17. Borrowings (Continued)

The borrowings are repayable as follows:

	The Group	
	2017	2016
	N'000	N'000
Within one year	25,467,050	24,521,196
Between two to three years	4,072,766	5,275,238
	29,539,816	29,796,434

(i) Loans due after one year

Group	Amount due	
	2017	2016
	N'000	N'000
Details of the loan maturities due after one year are as follows:		
Facility		
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	1,148,148	1,148,148
PPPNP-Bank of Industry	7,685	43,492
CAP - Stanbic IBTC	83,598	83,598
	1,239,431	1,275,238
Term Loan:		
UPDC - Guaranty Trust Bank	1,500,000	2,000,000
UPDC - First Securities Discount House	1,333,335	2,000,000
	4,072,766	5,275,238

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18. Trade and other payables

	The Group	
	2017 N'000	2016 N'000
Trade payables	3,885,700	4,897,420
Provision for employee leave	13,953	23,182
Other payables	10,632,364	7,382,804
Advance from customers	934,095	1,346,480
Accruals	4,876,392	4,269,376
Total	20,342,505	17,919,261

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 relate to accrued professional fees, accrued consultants fees, accrued audit fees and other accrued expenses.

19. Government grant

	The Group	
	2017 N'000	2016 N'000
At 1 January	235,866	260,761
Amount received during the period	-	197,619
Released to the statement of profit or loss	(30,627)	(222,515)
At 30 June	205,239	235,866
Current	196,013	226,652
Non-current	9,226	9,214
	<u>205,239</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

	The Group	
	2017 N'000	2016 N'000
At 1 January	305,378	323,112
Deferred during the period	375,001	708,984
Released to the statement of profit or loss	(367,448)	(726,718)
At 30 June	312,931	305,378
Current	308,686	300,778
Non-current	4,245	4,600
	<u>312,931</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

	The Group	
	2017 N'000	2016 N'000
As at 1 January	3,682,512	2,759,611
Dividend declared	1,920,864	1,920,864
Dividend paid during the year	(1,791,549)	(1,863,293)
Unclaimed dividend refunded	530,111	865,330
At 30 June	4,341,938	3,682,512

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22. Provisions

The Group	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	-	-	-	-
Arising during the period	-	-	-	-
30 June 2017	50,000	74,757	22,123	146,880
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
31 December 2016	50,000	74,757	22,123	146,880
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 in 2013. The liability relates to a N50m Garnishee order issued by a Judge at the Lower court. The company is challenging the judgement at the Higher court and also exploring out of court settlement.

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 crystallise in 2030.

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23. Share Capital

Group and Company

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

Movements during the period:

	Group and Company	
	Number of shares 000	Ordinary shares =N='000
At 31 December 2016	1,920,864	960,432
Capitalised during the period	-	-
At 30 June 2017	1,920,864	960,432

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
Profit before tax	1,634,840	3,933,269
Adjustment for net finance (income)/costs	2,495,528	365,668
Operating profit	4,130,368	4,298,937
Amortisation of intangible assets	82,921	88,102
Share of associate and joint ventures' profit or loss	(429,678)	(970,191)
Depreciation	1,231,368	1,267,588
Interest on government grant	40,541	101,638
Profit on sale of tangible PPE	(8,965)	(8,849)
Loss on sale of tangible PPE	1,603	19,450
Profit or loss on sale of Investment Properties	(481,433)	29,000
Operating cash flows before movements in	4,566,724	4,825,676
Movements in working capital:		
Inventories	5,243,470	(2,246,195)
Trade and other receivables	(8,004,161)	(2,458,722)
Trade and other payables	4,419,132	3,435,638
Net cash from/(used in) operations	6,225,165	3,556,397