



**UNAUDITED FINANCIAL STATEMENTS
FOR 9 MONTHS ENDED
30 SEPTEMBER 2018**

uac of nigeria plc RC 341

uac house, 1 - 5 odunlami street, p.o. box 9, lagos nigeria. telephone: 01- 2701879, 0815 989 0023. www.uacnplc.com

Directors: Dan Agbor (Chairman); Abdul Bello (Group CEO); Mrs. Omolara Elemide (ED); Mrs. Awuneba Ajumogobia; Babatunde Kasali; Dr. Umaru Alka; Dr. Okechukwu Mbonu; Folasope Aiyesimoju; Mrs. Olufunke Ighodaro; Peter Mombaur (German, Alternate).

UAC of Nigeria Plc
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for the period ended 30 September 2018

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**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 September 2018**

	Notes	The Group			
		3 months to September 2018 N'000	9 months to September 2018 N'000	3 months to September 2017 N'000	9 months to September 2017 N'000
Continuing operations					
Revenue	3	18,780,434	55,762,537	20,942,648	68,279,965
Cost of sales		(15,610,272)	(45,027,619)	(17,119,906)	(56,683,641)
Gross profit		3,170,162	10,734,918	3,822,742	11,596,324
Other operating income	4	373,254	1,184,544	1,410,061	2,752,478
Selling and distribution expenses	5	(1,309,731)	(3,752,802)	(1,167,348)	(3,174,447)
Administrative expenses	5	(1,641,186)	(4,852,523)	(1,813,023)	(4,899,657)
Other operating losses	4(i)	(1,614,375)	(1,617,875)	(509,646)	(621,856)
Operating profit		(1,021,875)	1,696,262	1,742,785	5,652,842
Finance income	6	718,902	2,054,043	346,411	1,344,423
Finance cost	6	(1,302,350)	(3,714,431)	(981,319)	(4,488,379)
Net finance (cost) / income		(583,448)	(1,660,388)	(634,908)	(3,143,956)
Share of (loss)/profit of associates and joint venture using the equity method	13.3	(13,777)	447,339	174,124	603,802
(Loss)/Profit before tax		(1,619,100)	483,212	1,282,002	3,112,687
Income Tax Expense		378,047	(135,299)	(445,584)	(881,297)
Profit after tax for the period from continuing operations		(1,241,053)	347,913	836,417	2,231,390
Discontinued operations					
Profit/(Loss) after tax for the year from discontinued operations	27	127,481	(95,504)	(55,386)	(255,612)
(Loss)/Profit for the period		(1,113,572)	252,409	781,031	1,975,778
Profit attributable to:					
Equity holders of the parent		46,648	10,574	596,821	1,509,781
Non controlling interests		(1,160,220)	241,836	184,210	465,997
		(1,113,572)	252,409	781,031	1,975,778
Total comprehensive income attributable to:					
Equity holders of the parent		46,648	10,574	596,821	1,509,781
Non controlling interests		(1,160,220)	241,836	184,099	465,997
		(1,113,572)	252,409	780,920	1,975,778
Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):					
Basic Earnings Per Share					
From continuing operations	7	(3)	4	34	92
From discontinued operations	7	5	(3)	(3)	(13)
From profit for the period		2	1	31	79
Dilluted Earnings Per Share					
From continuing operations	7	(3)	4	34	92
From discontinued operations	7	5	(3)	(3)	(13)
From profit for the period		2	1	31	79

For purpose of proper comparison, comparative figures of 9M 2017 have been adjusted to align with 2017 year-end audit treatment where UNICO CPA, UPDC Hotels Ltd and Warm Spring Waters Ltd have been classified as held for sale in line with IFRS 5.

UAC of Nigeria Plc

**Unaudited Consolidated Statement of Financial Position
as at 30 September 2018**

	Notes	The Group	
		30 Sep 18 N'000	31 Dec 17 N'000
Assets			
Non-current assets			
Property, plant and equipment	8	21,107,387	21,537,773
Intangible assets and goodwill	9	1,524,048	1,606,023
Investment property	10	8,398,546	13,486,037
Investments in associates and joint ventures	13	19,243,666	19,109,621
Available-for-sale financial assets	12	11,001	26,199
Prepayment	16	11,778	3,245
Deferred tax asset		711,900	711,900
		51,008,326	56,480,798
Current assets			
Inventories	14	23,594,610	30,391,954
Trade and other receivables	16	14,962,669	16,358,997
Cash and Cash equivalents	17	31,006,365	14,125,974
		69,563,644	60,876,926
Assets of disposal group classified as held for sale/distribution to owners			
	27	13,203,293	13,259,409
Total assets		133,775,263	130,617,133
Equity and Liabilities			
Ordinary share capital	24	1,440,648	960,432
Share premium	24	18,509,120	3,934,536
Contingency reserve	24	28,575	28,575
Available-for-sale reserve		-	(1,990)
Retained earnings		45,234,014	46,827,439
Equity attributable to equity holders of the Company		65,212,358	51,748,993
Non controlling interests		20,054,370	21,377,429
Total equity		85,266,728	73,126,422
Liabilities			
Non-current liabilities			
Borrowings	18	4,836,299	1,329,037
Deferred tax liabilities		4,890,082	4,890,082
Deferred revenue	21	1,559	3,192
Provisions	23	16,352	17,223
		9,744,292	6,239,534
Current liabilities			
Trade and other payables	19	12,918,019	16,238,983
Current income tax liabilities		3,357,076	5,377,083
Bank overdrafts and current portion of borrowings	18	16,348,859	23,780,410
Dividend payable	22	4,899,962	4,655,045
Government grant	20	1,484	9,226
Deferred revenue	21	206,973	213,463
Provisions	23	92,456	92,456
		37,824,829	50,366,665
Liabilities of disposal group classified as held for sale/distribution to owners			
	27	939,415	884,513
Total liabilities		48,508,535	57,490,711
Total equity and liabilities		133,775,263	130,617,133

The financial statements and the notes on pages 5 to 20 were approved and authorised before issue by the board of directors on 30 October 2018 and were signed on its behalf by:



Mr. Dan Agbor
Chairman
FRC/2013/NBA/00000001748



Mr. Abdul Bello
Group CEO
FRC/2013/ICAN/0000000724



Mrs. Muhibat Abbas
AG CFO
FRC/2013/ICAN/00000002584

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 September 2018

The Group								
	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 2018	960,432	3,934,536	28,575	(1,990)	46,827,439	51,748,993	21,377,429	73,126,422
Profit and loss	-	-	-	-	10,574	10,574	241,836	252,409
Transactions with non-controlling interests								
Acquisition of non-controlling interests - Grand Cereals Limited and CAP Plc	-	-	-	-	270,834	270,834	(270,834)	-
Transactions with Equity holders								
Rights issue fully subscribed	480,216	14,574,584	-	-	-	15,054,800	-	15,054,800
Reversal of available for sale reserve due to disposal	-	-	-	1,990	(1,990)	-	-	-
Dividends	-	-	-	-	(1,872,843)	(1,872,843)	(1,294,060)	(3,166,903)
Balance at 30 September 2018	1,440,648	18,509,120	28,575	-	45,234,014	65,212,358	20,054,370	85,266,728

The Group								
	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	-	-	-	-	1,509,781	1,509,781	465,997	1,975,778
Transactions with Equity holders								
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(2,114,396)	(4,035,260)
Balance at 30 September 2017	960,432	3,934,536	28,575	(5,561)	41,089,220	46,007,203	28,398,855	74,406,058

UAC of Nigeria Plc

**Unaudited Consolidated statement of cash flow
for the period ended 30 September 2018**

	Notes	The Group	
		30 Sep 18 N'000	30 Sep 17 N'000
Cash flows from operating activities			
Cash generated from/(used in) operations	25	7,470,126	10,096,517
Corporate tax paid		(1,641,770)	(1,752,387)
VAT paid		(593,581)	(565,470)
Interest received		2,054,043	1,344,423
Interest paid		(3,714,431)	(4,488,379)
Net cash flow (used in)/generated from operating activities		3,574,387	4,634,703
Cash flows from investing activities			
Purchase of Intangible assets		(18,792)	(92,302)
Purchase of property, plant and equipment		(1,289,868)	(1,112,247)
Proceeds from sale of property, plant and equipment		99,628	97,230
Purchase of investment properties		(1,710)	(136,712)
Proceeds from sale of investment properties		4,882,667	4,447,545
Proceeds from disposal of financial asset		16,789	-
Income distribution from UPDC REIT		313,294	400,027
Net cash generated from investing activities		4,002,008	3,603,541
Cash flows from financing activities			
Dividends paid to non controlling interests		(1,294,060)	(2,114,396)
Dividends paid to Company shareholders		(1,830,540)	(1,859,536)
Proceeds from borrowings		2,260,988	1,106,560
Proceeds from rights issue		16,113,352	681,180
Recovery of excess bank charges		-	264,435
Rights issue expenses		(312,115)	-
Repayment of borrowings		(2,648,226)	(4,679,792)
Net cash flow used in financing activities		12,289,399	(6,601,550)
Net increase/(decrease) in cash & cash equivalents		19,865,793	1,636,694
Cash & cash equivalents at the beginning of the year		11,140,572	4,895,948
Cash & cash equivalents at the end of the period after adjusting for bank overdraft	17(i)	31,006,365	6,532,642

UAC of Nigeria Plc

NOTES TO THE 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 2017.

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 2017.

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 2017. There have been no changes in the risk management structure since year end or in any risk management policy.

3. Segment Analysis

The Group

The chief operating decision-maker has been identified as the Executive Committee (Exco), made up of the management 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:

Animal Feeds - Made up of business units involved in the manufacturing and sale of livestock feeds and edible oil.

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

Packaged Food - Made up of a business unit involved in the manufacturing and sale of bottled water, fruit juices and ice-cream.

QSR (Quick Service Restaurants) - Made up of a business unit involved in the making and sale of food items.

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

	Animal Feeds	Paints	Packaged Food	QSR	Logistics	Real Estate	Others	Total
30 September 2018	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	30,627,665	7,428,383	12,161,702	917,514	4,479,738	1,989,121	484,865	58,088,987
Intergroup revenue	(1,330,284)	(20,844)	(4,668)	-	(558,122)	(64,388)	(348,145)	(2,326,451)
Revenue to third parties	29,297,381	7,407,539	12,157,034	917,514	3,921,616	1,924,733	136,721	55,762,537
Operating profit/(loss)	574,563	1,777,968	759,172	8,563	765,870	(1,475,635)	(714,239)	1,696,262
Profit/(loss) before tax	(300,642)	1,986,585	1,121,976	13,773	837,400	(4,529,639)	1,353,761	483,212
(Loss)/profit after tax for the year from discontinued operations	-	-	-	-	-	(119,770)	24,267	(95,504)
Property, plant and equipment	12,031,414	1,603,879	3,061,623	251,859	3,427,705	52,336	678,573	21,107,387
Net assets	16,796,244	4,293,428	6,404,968	382,004	5,170,955	29,010,614	23,208,516	85,266,728

	Animal Feeds	Paints	Packaged Food	QSR	Logistics	Real Estate	Other	Total
30 September 2017	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	44,723,099	6,562,769	10,499,425	917,166	3,760,282	3,136,090	652,365	70,251,195
Intergroup revenue	(777,142)	(16,612)	(6,078)	-	(533,809)	(113,019)	(524,572)	(1,971,230)
Revenue to third parties	43,945,957	6,546,157	10,493,347	917,166	3,226,473	3,023,072	127,793	68,279,965
Operating profit/(loss)	2,507,524	1,364,192	615,434	(6,491)	416,010	1,015,441	(259,268)	5,652,842
Profit/(loss) before tax	1,005,647	1,487,837	893,551	(2,011)	560,703	(1,903,283)	1,070,244	3,112,688
(Loss)/profit after tax for the year from discontinued operations	-	-	(78,666)	-	-	(185,544)	8,597	(255,612)
Property, plant and equipment	12,679,450	1,569,328	3,431,985	323,582	3,589,852	93,212	688,859	22,376,268
Net assets	12,830,208	3,485,752	5,655,969	399,678	4,423,404	34,367,173	13,233,516	74,395,701

Entity wide information

Analysis of revenue by category:

Sale of goods

Revenue from services

30 Sep 2018	30 Sep 2017
N'000	N'000
51,704,201	64,925,699
4,058,336	3,354,266
55,762,537	68,279,965

Analysis of revenue by geographical location:

Nigeria

Ivory Coast

30 Sep 2018	30 Sep 2017
N'000	N'000
55,762,537	68,266,626
-	13,339
55,762,537	68,279,965

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 30 September 2018

4. Other operating income

	The Group	
	30 Sep 2018	30 Sep 2017
	N'000	N'000
Profit on sales of Property, Plant and Equipment	18,621	23,707
Profit on sales of Investment Property	12,943	1,525,426
Profit on sales of financial assets	1,591	-
Government grant	199,084	36,753
Recovery from property sold	310,000	-
Recovery of excess bank charges	-	264,435
Write back of statute barred unclaimed dividend	149,445	278,996
Other income*	492,860	623,161
Total other operating income	1,184,544	2,752,478

***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 Sep 2018	30 Sep 2017
	N'000	N'000
Impairment of receivables in UPDC Joint Ventures*	(984,649)	(500,940)
Loss on sales of Property, Plant and Equipment	-	(244)
Loss on sales of Investment Property	(629,726)	-
Losses on completed projects*	(3,500)	(120,672)
Total other operating losses	(1,617,875)	(621,856)

ii.) Impairment of receivables in UPDC Joint Ventures*

UPDC Metro City Ltd, First Restoration Development Company Ltd, Pinnacle Apartment Development Ltd and Galaxy Mall's receivables in the books were impaired after consideration for future recoverable balances.

***Losses on completed projects**

Losses are additional losses made post project completion.

5(a) . Expenses by nature

	The Group	
	30 Sep 2018	30 Sep 2017
	N'000	N'000
Changes in inventories of finished goods and work in progress	37,961,601	49,251,064
Write off of inventories to net realisable value	138,344	34,780
Personnel expenses	5,679,903	5,479,095
Depreciation	1,561,198	1,592,983
Amortisation of intangibles	100,100	120,731
(Recovery from)/allowance for receivables impairment	(2,495)	105,306
Royalty fees	94,033	83,295
Rents & Rates	657,126	641,244
Electricity & power	1,223,480	1,172,608
Vehicles repairs, maintenance & fueling	600,029	806,173
Other repairs & maintenance	617,920	598,251
Auditors' remuneration	121,800	121,800
Information technology charge	285,116	268,324
Legal expenses	85,073	51,325
Donations & Subscriptions	47,875	67,665
Insurance	124,261	154,909
Distribution expenses	1,539,587	1,445,725
Marketing, Advertising & Communication	501,741	475,206
Sundry office expenses	2,296,251	2,287,263
	53,632,944	64,757,745

5(b). Expenses by function

Analysed as:

Cost of sales	45,027,619	56,683,641
Selling and distribution expenses	3,752,802	3,174,447
Administrative expenses	4,852,523	4,899,657
	53,632,944	64,757,745

UAC of Nigeria Plc
Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 September 2018

6. Net finance income/(cost)

	The Group	
	30 Sep 2018	30 Sep 2017
	N'000	N'000
Interest income on short-term bank deposits	2,054,043	1,344,423
Finance Income	2,054,043	1,344,423
Interest on bank loans	3,642,825	4,157,615
Interest on bank overdraft	71,606	330,764
Finance Costs	3,714,431	4,488,379
Net finance (cost) / income	(1,660,388)	(3,143,956)

UAC of Nigeria Plc
Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 September 2018

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	
	2018	2017
	N'000	N'000
Profit attributable to ordinary equity shareholders:		
Profit from continuing operations	106,077	1,765,393
Profit from discontinued operations	(95,504)	(255,612)
Profit for the period	10,574	1,509,781
Basic earnings per share		
From continuing operations	4	92
From discontinued operations	(3)	(13)
From profit for the period	1	79
Diluted earnings per share		
From continuing operations	4	92
From discontinued operations	(3)	(13)
From profit for the period	1	79
	The Company	
	2018	2017
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	2,570,477	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 30 September 2018

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 2017	25,372,864	18,246,925	1,062,546	4,310,785	2,673,946	2,574,933	54,241,999
Additions	160,343	581,751	146,487	285,735	46,988	91,757	1,313,062
Disposals	(6,705)	(204,268)	(14,309)	(402,237)	(25,060)	(28,970)	(681,549)
Write Off	(192,034)	(19,931)	(28,048)	(24,695)	(25,346)	(3,975)	(294,028)
Reclassifications	310,184	94,369	400	10,465	(174)	(415,244)	-
Assets held for sales	(14,785,403)	(1,293,177)	(106,608)	(144,027)	(1,484,017)	(17,989)	(17,831,222)
At 31 December 2017	10,859,249	17,405,669	1,060,467	4,036,027	1,186,337	2,200,512	36,748,262
At 1 January 2018	10,859,249	17,405,669	1,060,467	4,036,027	1,186,337	2,200,512	36,748,262
Additions	36,269	529,734	46,267	335,082	47,143	295,373	1,289,868
Disposals	-	(142,408)	(16,247)	(221,299)	(3,927)	-	(383,880)
Transfers	-	666	-	-	-	-	666
Reclassifications	3,500	535,033	6,003	19,055	-	(563,592)	-
At 30 September 2018	10,899,018	18,328,695	1,096,491	4,168,866	1,229,553	1,932,294	37,654,916
Accumulated depreciation and impairment							
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	642,307	1,298,763	152,816	346,367	68,563	-	2,508,817
Disposals	(4,348)	(190,951)	(13,918)	(345,538)	(23,457)	-	(578,212)
Write Off	(192,064)	(19,780)	(27,905)	(22,220)	(25,317)	-	(287,284)
Reclassifications	(315)	-	-	-	315	-	-
Assets held for sales	(2,930,964)	(984,979)	(99,058)	(120,240)	(1,268,917)	-	(5,404,159)
At 31 December 2017	1,815,498	8,972,282	759,926	2,664,153	998,629	-	15,210,488
At 1 January 2018	1,815,498	8,972,282	759,926	2,664,153	998,629	-	15,210,488
Charge for the year	211,295	993,129	101,853	205,703	49,219	-	1,561,198
Disposals	-	(100,755)	(14,329)	(170,371)	(2,931)	-	(288,386)
Adjustments	15,766	58,451	(8,893)	(1,095)	-	-	64,229
At 30 September 2018	2,042,559	9,923,108	838,557	2,698,388	1,044,917	-	16,547,529
Net book values:							
At 30 September 2018	8,856,459	8,405,587	257,934	1,470,477	184,636	1,932,294	21,107,387
At 31 December 2017	9,043,751	8,433,387	300,541	1,371,874	187,708	2,200,512	21,537,773

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

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9. Intangible assets and goodwill

	Group			Total N'000
	Goodwill N'000	Brands & Trade Marks N'000	Software N'000	
Cost				
At 1 January 2017	548,747	1,070,185	1,113,175	2,732,108
Additions - externally acquired during the year	-	-	105,084	105,084
Assets held for sales	-	-	(60,047)	(60,047)
At 31 December 2017	548,747	1,070,185	1,158,213	2,777,145
At 1 January 2018	548,747	1,070,185	1,158,213	2,777,145
Additions - externally acquired during the year	-	-	18,792	18,792
Transfers	-	-	(666)	(666)
At 30 September 2018	548,747	1,070,185	1,176,338	2,795,271
Accumulated amortisation and impairment				
At 1 January 2017	-	288,439	767,734	1,056,173
Amortisation for the year	-	-	160,262	160,262
Assets held for sales	-	-	(45,313)	(45,313)
At 31 December 2017	-	288,439	882,683	1,171,123
At 1 January 2018	-	288,439	882,683	1,171,123
Amortisation for the period	-	-	100,100	100,100
At 30 September 2018	-	288,439	982,783	1,271,223
Net book values				
At 30 September 2018	548,747	781,746	193,555	1,524,048
At 31 December 2017	548,747	781,746	275,530	1,606,023

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10. Investment property

Fair value	The Group		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
At 1 January 2017	720,735	19,149,499	19,870,234
Additions during the year	120,000	25,502	145,502
Disposals	-	(6,196,098)	(6,196,098)
Net gain from fair value adjustments on investment property	-	(333,601)	(333,601)
At 31 December 2017	840,735	12,645,302	13,486,037
At 1 January 2018	840,735	12,645,302	13,486,037
Additions during the period	-	1,710	1,710
Reclassification from property stocks held as inventories	140,000	-	140,000
Disposals	(297,000)	(4,932,201)	(5,229,201)
At 30 September 2018	683,735	7,714,811	8,398,546

Fair value of investment properties is categorised as follows:

	30-Sep-18	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
Internal valuation*		683,735	7,714,811	8,398,546
		683,735	7,714,811	8,398,546

Fair value of investment properties is categorised as follows:

	31-Dec-17	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation		840,735	12,645,302	13,486,037
		840,735	12,645,302	13,486,037

***Internal valuation**

Investment Properties were carried at external valuation as at 1 January 2018. Additions and disposals for the nine month ended 30 September 2018 were at cost/internal valuation.

11. Investments in subsidiaries

Company

	30 Sep 2018 N'000	31 Dec 2017 N'000
Opening balance	15,815,152	11,759,874
Additions - Acquisitions in Subsidiaries	5,380,223	4,231,753
Impairment of Investments in Warm Spring Waters Nigeria Limited	-	(46,475)
Net assets held for sale - UNICO CPFA	-	(130,000)
Closing Balance	21,195,375	15,815,152

	30 Sep 2018 N'000	31 Dec 2017 N'000	30 Sep 2018 % ownership	31 Dec 2017 % ownership
Quoted shares:				
<i>Chemical and Allied Products Plc</i> 361,034,361 ordinary shares of 50k each	494,684	114,461	51.58	50.18
<i>UACN Property Development Company Plc</i> 1,667,187,500 ordinary shares of 50k each	4,851,897	4,851,897	64.16	64.16
<i>Livestock Feeds Plc</i> 2,198,745,272 ordinary shares of 50k each	2,246,401	2,246,401	73.00	73.00
<i>Portland Paints Plc</i> 677,093,500 ordinary shares of 50k each	1,938,283	1,938,283	85.50	85.50
Unquoted shares:				
<i>Grand Cereals Limited</i> 1,358,715,000 ordinary shares of N1 each	7,247,333	2,247,333	67.10	64.93
<i>UAC Foods Limited</i> 102,000,000 ordinary shares of 50k each	2,414,414	2,414,414	51.00	51.00
<i>MDS Logistics Ltd</i> 51,000,000 ordinary shares of 50k each	1,861,233	1,861,233	51.00	51.00
<i>UAC Restaurants Limited</i> 510,000 ordinary shares of N1 each	141,130	141,130	51.00	51.00
	21,195,375	15,815,152		

Investments in subsidiaries are measured at cost

	The Company 2018 N'000	2017 N'000	% 2018	2017
11(i) Net Asset Held for Sale - UNICO CPFA				
<i>UNICO CPFA Limited</i> 130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67
	130,000	130,000		

12. Available for Sale financial assets

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

	The Group	
	2018 N'000	2017 N'000
Opening Balance as at 1 January	26,199	19,197
Fair value gain on available-for-sale financial assets	-	7,002
Disposal of available-for-sale financial assets*	(15,198)	-
	11,001	26,199

*Disposal of available-for-sale financial assets

During the period, available for sale financial assets previously held by Livestock Feeds Plc in some quoted companies - First Bank Holdings Plc, United Bank for Africa Plc, Zenith Bank Plc, Africa Prudential Registrars Plc, AFRIPRUD and UBA Capital Plc - were disposed off at the prevailing market rate and the sum of N16.78million was realised.

The Group

This represents UPDC Plc 6.7% holding in the ordinary share capital of UNICO CPFA Limited and UAC's investments in unquoted equities of the following companies: Industrial Investments Ltd, LACOM Communications Ltd, Trade Investment Ltd - CSCS, Lagos Stock Exchange and Panasonic Nigeria Ltd.

13. Investments in associates and equity accounted joint ventures

	The Group	
	2018 N'000	2017 N'000
Associate		
UPDC's Investment in UPDC REIT	19,170,060	18,918,826
Joint Ventures		
First Festival Mall Limited	-	117,189
Transit Village Dev. Co. Ltd*	73,606	73,606
At 30 September	19,243,666	19,109,621

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

13.1 Investments in Associate

Investments in Associate above represents UPDC's investment in REIT as at 30 September 2018. 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.

The UPDC Real Estate Investment Trust (REIT) is a close-ended real estate investment trust which is listed on the Nigerian Stock Exchange. As at 30 September 2018, the fair value of each unit holders' contribution in UPDC REIT is N10.

The movement in the investment in associate during the year is stated below:

	The Group	
	2018 N'000	2017 N'000
At 1 January	18,918,826	19,214,990
Share of profit (Note 13.3)	564,528	829,385
Dividend received	(313,294)	(1,125,550)
At 30 September	19,170,060	18,918,826

13.2 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:

	The Group	
	2018 N'000	2017 N'000
At 1 January	190,795	481,289
Share of loss of First Festival Mall Limited (Note 13.3)	(117,189)	(290,283)
Impairment of investment in First Festival Mall Limited	-	(210)
At 30 September	73,606	190,795

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

	The Group	
	2018 N'000	2017 N'000
Share of profit in REIT (Associate)*	564,528	923,571
Share of loss of First Festival Mall Limited (Joint Venture)**	(117,189)	(319,769)
Total	447,339	603,802

***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 30 September 2018. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the period ended 30 September 2018.

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 after tax of N260 million for the period ended 30 September 2018. The share of the Group of this based on UPDC's 45% share holding is N117 million.

14. Inventories

	The Group	
	2018 N'000	2017 N'000
Raw materials and consumables	9,423,507	15,078,757
Technical stocks and spares	1,895,289	1,640,851
Properties under construction (Note 15)	10,185,526	11,523,468
Finished goods and goods for resale	2,090,288	2,148,879
Total	23,594,610	30,391,954

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

The Group

During the period ended 30th September 2018 **N138 million** (September 2017: **N35 million**) was charged to the profit or loss for damages, obsolescence and write downs.

15. Properties under construction included in inventories

	The Group	
	2018 N'000	2017 N'000
Cost/Valuation		
Balance 1 January	11,523,468	12,672,131
Additions	309,741	1,282,531
Disposals	(1,445,346)	(2,348,246)
Transfer to Investment Properties	(140,000)	-
Impairment of Pineville, Asaba	(62,338)	-
Impairment of Vintage Gardens	-	(82,948)
Balance 30 September	10,185,526	11,523,468

16. Trade and other receivables

	The Group	
	2018 N'000	2017 N'000
Receivables due within one year		
Trade receivables	5,829,790	4,444,237
Less: allowance for impairment of trade receivables	(1,426,823)	(1,429,318)
Net trade receivables	4,402,967	3,014,919
Receivables from related companies (Note 26)	5,853,587	6,928,259
Other receivables	1,199,579	1,590,219
Advance payments	1,790,401	2,553,985
WHT receivable	513,469	1,124,690
Prepayments - staff grants	342,902	253,607
Prepayments- Other	859,764	893,318
Total	14,962,669	16,358,997

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.

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.

Advance payments are mobilisation fees made to contractors for the supply of goods and services.

	The Group	
	2018 N'000	2017 N'000
Prepayments - Current	1,202,666	1,146,925
Prepayments - Non-current	11,778	3,245
Total prepayments	1,214,444	1,150,170

The balance on prepayment represent rent and insurance paid in advance which will be charged against earnings in the periods they relate to.

Movements in the allowance for impairment of trade receivables are as follows:

	The Group	
	2018 N'000	2017 N'000
At 1 January	1,429,318	1,444,698
Recovery from receivables impairment	(2,495)	(15,379)
At 30 September	1,426,824	1,429,318

17. Cash and cash equivalents

	The Group	
	2018 N'000	2017 N'000
Cash at bank and in hand	2,102,000	1,407,607
Short-term deposits	28,904,365	12,718,367
Cash and short-term deposits	31,006,365	14,125,974

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 **N4.4b** which represents unclaimed dividends received from Africa Prudential Registrars as at September 2018.

(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	
	2018 N'000	2017 N'000
Cash and short-term deposits	31,006,365	14,125,974
Bank Overdrafts (Note 18)	-	(2,985,402)
Balances per statement of cash flow	31,006,365	11,140,572

18. Borrowings

	The Group	
	2018 N'000	2017 N'000
Current borrowings		
Overdrafts due within one year	-	2,985,402
Commercial papers due within one year	16,348,859	20,795,008
	16,348,859	23,780,410
Non-current borrowings		
Loans due after one year (i)	4,836,299	1,329,037
Total borrowings	21,185,157	25,109,447

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group	
	2018 N'000	2017 N'000
Within one year	16,348,859	23,780,410
Between one to two years	4,836,299	1,329,037
More than three years	-	-
	21,185,157	25,109,447

(i) Loans due within one year

Bank	Effective Interest Rate	The Group		Maturity date	Security
		2018 N'000	2017 N'000		
First Bank of Nigeria Ltd	21.0%	-	148,002	Jan-18	Equitable mortgage
Zenith Bank Plc	24.0%	-	185,514	Jun-18	No security
Diamond Bank Plc	21.0%	-	262,800	May-18	Equitable mortgage
FSDH Merchant Bank Ltd	22.9%	-	1,333,333	Nov-18	Equitable mortgage
First Bank of Nigeria Ltd	21.0%	-	270,500	Jan-18	Equitable mortgage
FBN Merchant Bank	19.5%	683,444	7,458,101	Jun-18	Equitable mortgage
Coronation Merchant Bank	19.5%	682,665	8,965,615	Jun-18	Equitable mortgage
Bank of Industry	10.0%	-	77,631	Dec-18	Bank Guarantee from Stanbic IBTC
Bank of Industry	6.0%	17,631	43,742	Dec-18	Debenture on fixed and floating assets
Union Bank of Nigeria Plc	8.0%	1,500,000	2,000,000	Oct-18	No security
Sterling Bank Plc - Agric Loan	8.5%	231,023	383,285	Dec-18	No security
Access Bank Plc	17.0%	-	970,954	Aug-18	No security
Diamond Bank Plc	17.0%	-	845,231	Aug-18	No security
First Bank of Nigeria Ltd	17.0%	-	835,701	Aug-18	No security
Issued CP	14.4%	13,234,095	-	Jan-19	Equitable mortgage
		16,348,859	23,780,410		

The above borrowings are denominated in Naira

(i) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	The Group		Maturity date
		2018 N'000	2017 N'000	
Facility				
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	17%	481,299	662,370	July, 2020
		481,299	662,370	
Term Loan:				
UPDC - First Securities Discount House	NIBOR + 3%	-	666,667	May, 2019
UPDC 5-Year Bond	16%	4,355,000	-	May, 2023
		4,836,299	1,329,037	

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19. Trade and other payables

	The Group	
	2018 N'000	2017 N'000
Trade payables	5,323,755	6,884,745
Amount owed to related companies (Note 26)	117,349	1,195,130
Provision for employee leave	5,072	6,664
Other payables	1,964,166	2,554,663
WHT payable	132,539	255,061
VAT payable	554,823	494,533
PAYE payable	4,196	2,130
Advance from customers	541,648	774,439
Accruals	4,274,470	4,071,618
Total	12,918,019	16,238,983

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. It also includes amount received in respect of litigation against liquidated GM Nigeria Ltd (a former subsidiary of UACN Plc).

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.

20. Government grant

	The Group	
	2018 N'000	2017 N'000
At 1 January	9,226	235,866
Amount received during the year	-	-
Released to the statement of profit or loss	(7,742)	(226,640)
At 30 September	1,484	9,226
Current	1,484	9,226
Non-current	-	-
	<u>1,484</u>	<u>9,226</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.

21. Deferred revenue

	The Group	
	2018 N'000	2017 N'000
At 1 January	216,654	305,378
Deferred during the period	354,740	595,035
Released to the statement of profit or loss	(362,862)	(683,759)
At 30 September	208,532	216,654
Current	206,973	213,463
Non-current	1,559	3,192
	<u>208,533</u>	<u>216,654</u>

Deferred revenue are rentals received in advance which are recognized as revenue 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.

22. Dividend payable

	The Group	
	2018 N'000	2017 N'000
As at 1 January	4,655,045	3,682,512
Dividend declared	1,872,843	1,920,864
Dividend paid during the year	(1,830,540)	(1,859,531)
Unclaimed dividend refunded	202,615	911,200
At 30 September	4,899,963	4,655,045

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23. Provisions

The Group	Contingent Liabilities N'000	Legal claim N'000	Decommissioning liability N'000	Total N'000
At 1 January 2018	3,000	89,456	17,223	109,679
Derecognised on payment	-	-	(871)	(871)
30 September 2018	3,000	89,456	16,352	108,808
Current	3,000	89,456	-	92,456
Non-current	-	-	16,352	16,352
At 1 January 2017	50,000	74,757	22,123	146,880
Unwinding of discount	-	-	1,254	1,254
Derecognised on payment	(47,000)	(17,980)	(6,154)	(71,134)
Provision in respect of rent of property	-	25,000	-	25,000
Exchange difference arising from litigation	-	7,679	-	7,679
31 December 2017	3,000	89,456	17,223	109,679
Current	3,000	89,456	-	92,456
Non-current	-	-	17,223	17,223

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 awarded by the lower court, but the Group challenged the judgement and it was reduced to N3 million on the 5th of July, 2017 by the court of appeal. The matter is now at the Supreme court for resolution.

Legal claim

The legal claim comprises of the following:

(i) 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.

(ii) Provision was made for probable litigation liability in respect of one of our properties located in Lagos. This provision was made based on the assessment by our solicitor.

(iii) Judgment was delivered against the group in the sum of N14 million in 2010. He appealed and the court allowed the appeal on 11th of January, 2012 and set aside the judgement of the lower court. The said sum of N14 million was ordered to be released back to UACN, however, before we could collect the cheque an appeal was lodged to the Supreme Court, thus, stalling the release of the cheque.

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.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rates did not reflect risks for which future cash flow estimates have been adjusted.

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24. Share Capital

Group and Company

	2018		2017	
	Number 000	Amount N'000	Number 000	Amount N'000
Authorised:				
Ordinary Shares of 50k each	3,000,000	1,500,000	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000	400,000	200,000
Total authorised share capital	3,400,000	1,700,000	3,400,000	1,700,000
Issued and fully paid:				
Ordinary shares of 50k each	2,881,296	1,440,648	1,920,864	960,432
Total called up share capital	2,881,296	1,440,648	1,920,864	960,432

Movements during the period:

	Group and Company	
	Number of shares	Ordinary shares
	000	=N='000
At 31 December 2017	1,920,864	960,432
Capitalised during the period	960,432	480,216
At 30 September 2018	2,881,296	1,440,648

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).

Available for Sale Reserve

The available for sale reserve relates to the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

25. Reconciliation of profit before tax to cash generated from operations

	Group	
	2018 N'000	2017 N'000
Profit before tax from continuing operations	483,212	3,112,687
Loss before tax from discontinued operations	(84,246)	(253,104)
Adjustment for net finance (income)/costs	1,660,388	3,143,956
Operating profit	2,059,355	6,003,540
Amortisation of intangible assets	100,100	120,731
Share of associate and joint ventures' profit	(447,339)	(603,802)
Depreciation	1,561,198	1,592,983
Recovery of excess bank charges	-	(264,435)
Losses on completed projects	3,500	120,672
Impairment of receivable in UPDC Joint Ventures	984,649	500,940
Profit on sale of financial assets	(1,591)	-
Profit on sale of tangible PPE	(18,621)	(23,707)
Loss on sale of tangible PPE	-	244
Profit on sale of Investment Properties	(12,943)	(1,525,426)
Operating cash flows before movements in	4,228,308	5,921,741
Movements in working capital:		
Inventories	6,813,814	7,564,167
Trade and other receivables	818,023	(2,595,338)
Trade and other payables	(4,437,366)	(639,146)
Net cash from/(used in) operations - continuing operations	7,422,779	10,251,424
Inventories	(16,470)	(31,485)
Trade and other receivables	8,915	(45,373)
Trade and other payables	54,902	(78,050)
Net cash from/(used in) operations - discontinued operations	47,347	(154,907)
Net cash from/(used in) operations	7,470,126	10,096,517

UAC of Nigeria Plc
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26. Related party transactions

The Company

The company's related parties consist of companies in whom the company has shareholding and similar interests (it's subsidiaries, associates & joint venture partners), the key management personnel of the company and their close family members and all other entities that are directly or indirectly controlled by the company.

The following transactions were carried out with the subsidiaries:

(a) Sales of goods and services

The Company has commercial service agreements with its subsidiaries for support services. Income from commercial services fees(representing 0.75-1% of revenue of the subsidiaries) **N327 million** (2017: **N504 million**).

This has been included in the revenue of the Company.

	Company	
	2018 N'000	2017 N'000
UACN Property Development Co. Plc	17,076	28,013
Grand Cereals Limited	180,959	272,213
Chemical & Allied Products Plc	54,510	49,049
Warm Spring Waters Nigeria Limited	-	3,658
UAC Foods Ltd	-	34,590
UNICO Closed PFA Ltd	-	1,265
MDS Logistics Ltd	-	17,161
Portland Paints & Products Plc	19,752	16,579
Livestock Feeds Plc	55,041	81,798
	327,337	504,326

(b) Period-end net balances arising from sales/purchases of goods/services with subsidiaries

	Company	
	2018 N'000	2017 N'000
Receivable:		
UACN Property Development Co. Plc	1,707,315	3,920,044
Chemical & Allied Products Plc	28,955	4,969
Grand Cereals Limited	488,637	3,124,939
UNICO CPFA Ltd	2,947	5,908
UAC Restaurants Limited	9,685	48,074
Portland Paints Plc	78,152	491,702
Livestock Feeds Plc	39,576	1,382,431
MDS Logistics Plc	13,011	35,096
UAC Foods Ltd	69,455	139,916
	2,437,733	9,153,078

All trading balances will be settled in cash.

(c) Receivables from related companies

	Group	
	2018 N'000	2017 N'000
UPDC Metrocity Limited	1,724,183	2,417,530
First Festival Mall Limited	2,614,229	2,566,018
First Restoration Dev. Co. Limited	334,449	390,825
Calabar Golf Estate Limited	542,748	538,893
Pinnacle Apartment Development Limited	-	98,326
Imani and Sons	599,198	843,353
Galaxy Mall Current Account	-	73,314
UPDC REIT	38,780	-
	5,853,587	6,928,259

There were no allowance for doubtful debt relating to related party receivables as at 30 September 2018 (2017: nil) and no charges to the profit or loss in respect of doubtful related party receivables.

(d) Amount owed to related companies

	Group	
	2018 N'000	2017 N'000
UPDC REIT	-	129,005
James Pinnock current account	11,561	1,066,125
Pinnacle Apartment Development Limited	105,788	-
	117,349	1,195,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Disposal group held for sale and discontinued operations

Disposal group held for sale

UPDC Hotels Ltd (UHL)

The Board of UPDC Plc decided on 24th October 2017 to sell its investment in UPDC Hotels (UHL). The sale is expected to be completed within a year from the reporting date. Consequently, UHL has been classified as a disposal group held for sale and as a discontinued operation in accordance with IFRS 5.

Disposal group held for distribution to owners

UNICO CPFA Limited (UNICO)

The Board of UNICO CPFA Limited with the concurrence of shareholders of the company resolved on 24th November 2017 to discontinue pension business and dissolve the company. Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2017.

Warm Spring Waters Nigeria Limited (WSWNL)

The Board of Warm Spring Waters Nigeria Limited agreed on 11th January 2018 to voluntarily wind up the Company with effect from 31st December 2017. It was also sanctioned by the shareholders at the extra ordinary meeting held on 5th February 2018. This entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2017.

Analysis of the results of the disposal group held for sale and distribution to owners is as follows:

	UHL 30-Sep-18 N'000	UNICO 30-Sep-18 N'000	WSWNL 30-Sep-18 N'000	TOTAL 30-Sep-18 N'000
Assets				
Non-current assets:				
Property, plant and equipment	11,814,513	3,568	606,150	12,424,231
Intangible assets	3,391	-	-	3,391
Deferred tax asset	-	945	-	945
	11,817,905	4,513	606,150	12,428,568
Current assets				
Inventories	150,381	-	25,403	175,784
Trade and other receivables	204,511	14,209	21,936	240,656
Statutory Reserve Fund Account	-	78,522	-	78,522
Held to maturity- Treasury bills	-	190,228	-	190,228
Cash and short-term deposits	76,266	9,501	3,769	89,536
	431,157	292,461	51,108	774,725
Total	12,249,062	296,973	657,258	13,203,293
Liabilities				
Non-current liabilities				
Borrowings	-	-	-	-
Deferred taxation liabilities	-	-	-	-
	-	-	-	-
Current liabilities				
Trade and other payables	727,458	32,249	151,329	911,036
Current income tax liabilities	-	11,259	17,120	28,379
	727,458	43,508	168,449	939,415
Total	727,458	43,508	168,449	939,415

Warm Spring Waters owes UACN Plc N652 million (2017: N652 million), this amount was treated as intragroup transaction on consolidation.

Analysis of the results of the discontinued operations is as follows:

	UHL 30-Sep-18 N'000	UNICO 30-Sep-18 N'000	WSWNL 30-Sep-18 N'000	TOTAL 30-Sep-18 N'000	UHL 30-Sep-17 N'000	UNICO 30-Sep-17 N'000	WSWNL 30-Sep-17 N'000	TOTAL 30-Sep-17 N'000
Revenue	1,006,262	106,396	-	1,112,658	1,220,872	126,534	368,638	1,716,045
Cost of sales	(932,203)	-	-	(932,203)	(955,279)	-	(286,411)	(1,241,690)
Gross profit	74,059	106,396	-	180,455	265,594	126,534	82,227	474,355
Other income	1,542	6,475	-	8,017	7,454	6,137	276	13,866
Selling and distribution expenses	(64,144)	-	-	(64,144)	(69,355)	-	(96,599)	(165,954)
Administrative expenses	(131,227)	(106,255)	-	(237,483)	(370,486)	(143,971)	(61,339)	(575,795)
Operating profit	(119,770)	6,616	-	(113,155)	(166,794)	(11,300)	(75,434)	(253,528)
Finance income	-	28,908	-	28,908	-	20,314	-	20,314
Finance cost	-	-	-	-	(18,750)	-	(1,139)	(19,889)
(Loss)/Profit before tax from discontinued operations	(119,770)	35,524	-	(84,246)	(185,544)	9,013	(76,574)	(253,104)
Tax expense:								
Related to pre-tax profit/(loss) from the ordinary activities for the period	-	(11,258)	-	(11,258)	-	(416)	(2,092)	(2,508)
(Loss)/profit from discontinued operations	(119,770)	24,267	-	(95,504)	(185,544)	8,597	(78,666)	(255,612)

The assets are carried at carrying value since this is lower than the fair value less cost to sell.

Cashflows from discontinued operations:

The net cash flows incurred are, as follows:

	UHL 30-Sep-18 N'000	UNICO 30-Sep-18 N'000	WSWNL 30-Sep-18 N'000	UHL 30-Sep-17 N'000	UNICO 30-Sep-17 N'000	WSWNL 30-Sep-17 N'000
Operating	7,621	8,227	-	65,717	219	(11,416)
Investing	(29,016)	96,588	-	(14,784)	(126,498)	(6,296)
Financing	(16,667)	(37,500)	-	(16,667)	-	(3,639)
Net cash (outflows)/inflows	(38,062)	67,315	-	34,267	(126,279)	(21,352)