



**UAC of Nigeria Plc**  
**Unaudited Financial Statements for the period**  
**ended 31 March 2019**

**UAC of Nigeria Plc**  
**Index to the unaudited consolidated financial statements**  
**for the period ended 31 March 2019**

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**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the period ended 31 March 2019**

	Notes	The Group	
		31 Mar 19 N'000	31 Mar 18 N'000
<b>Continuing operations</b>			
Revenue	3	20,625,307	18,311,977
Cost of sales		(16,168,019)	(14,500,155)
<b>Gross profit</b>		<b>4,457,288</b>	<b>3,811,821</b>
Other operating income	4	101,225	280,112
Selling and distribution expenses	5	(1,405,820)	(1,287,981)
Administrative expenses	5	(1,545,754)	(1,573,686)
Other operating losses	4(i)	(116,381)	-
<b>Operating profit</b>		<b>1,490,559</b>	<b>1,230,267</b>
Finance income	6	940,008	702,642
Finance cost	6	(948,399)	(1,149,129)
Net finance cost		(8,391)	(446,488)
Share of profit of associates and joint venture using the equity method	13.3	-	189,784
<b>Profit before tax</b>		<b>1,482,168</b>	<b>973,563</b>
Income Tax Expense		(444,650)	(264,605)
Profit after tax for the year from continuing operations		1,037,517	708,959
<b>Discontinued operations</b>			
Loss after tax for the year from discontinued operations	26	(41,528)	(110,833)
<b>Profit for the period</b>		<b>995,989</b>	<b>598,126</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		658,614	343,555
Non controlling interests		337,375	254,571
		<b>995,989</b>	<b>598,126</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		656,527	343,555
Non controlling interests		339,462	254,571
		<b>995,989</b>	<b>598,126</b>
Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):			
<b>Basic Earnings Per Share</b>			
From continuing operations	7	24	16
From discontinued operations	7	(1)	(4)
From profit for the period		23	12
<b>Diluted Earnings Per Share</b>			
From continuing operations	7	24	16
From discontinued operations	7	(1)	(4)
From profit for the period		23	12

UAC of Nigeria Plc

Unaudited Consolidated Statement of Financial Position  
as at 31 March 2019

	Notes	The Group	
		31 Mar 19 N'000	31 Dec 18 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	21,818,592	21,824,121
Intangible assets and goodwill	9	1,500,005	1,525,656
Investment property	10	6,107,663	7,196,663
Investments in associates and joint ventures	13	20,091,466	20,091,466
Equity instrument at fair value through other comprehensive	12	47,729	40,000
Prepayment	16	10,269	8,706
Deferred tax asset		90,144	90,144
		49,665,868	50,776,755
<b>Current assets</b>			
Inventories	14	29,358,830	30,525,636
Trade and other receivables	16	11,433,009	10,233,691
Cash and Cash equivalents	17	33,221,618	30,275,249
Right of return assets	3(ii)	7,916	7,916
		74,021,373	71,042,492
<b>Assets of disposal group classified as held for sale/distribution to owners</b>			
	26	9,149,061	9,273,914
<b>Total assets</b>		<b>132,836,302</b>	<b>131,093,162</b>
<b>Equity and Liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Ordinary share capital	23	1,440,648	1,440,648
Share premium	23	18,509,120	18,509,120
Contingency reserve	23	28,575	28,575
Fair value/available for sale reserve	23	14,789	14,789
Retained earnings		38,794,607	38,135,993
<b>Total equity</b>		<b>75,203,908</b>	<b>74,208,029</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	18	4,394,252	4,500,793
Deferred tax liabilities		4,781,708	4,707,053
Deferred revenue	20	1,441	1,577
Provisions	22	10,875	10,874
		9,188,276	9,220,297
<b>Current liabilities</b>			
Trade and other payables	19	15,846,247	15,437,697
Contract liabilities		14,641	55,373
Current income tax liabilities		6,189,893	6,336,866
Bank overdrafts and current portion of	18	20,163,136	19,671,568
Dividend payable	21	4,899,962	4,899,962
Deferred revenue	20	197,085	211,736
Provisions	22	93,085	93,085
Refund liabilities	3(ii)	24,444	9,167
		47,428,493	46,715,454
<b>Liabilities of disposal group classified as held for sale/distribution to owners</b>			
	26	1,015,626	949,382
<b>Total liabilities</b>		<b>57,632,394</b>	<b>56,885,133</b>
<b>Total equity and liabilities</b>		<b>132,836,302</b>	<b>131,093,162</b>

The financial statements and the notes on pages 5 to 19 were approved and authorised before issue by the board of directors on 24 April 2019 and were signed on its behalf by:



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



Mr. Ibikunle Oriola  
Group Finance Director  
FRC/2013/ICAN/00000004372



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

The notes on pages 5 to 19 are an integral part of these financial statements.

UAC of Nigeria Plc  
 Unaudited Consolidated Statement of Changes in Equity  
 for the period ended 31 March 2019

		The Group						
		Attributable to owners of the Company						
Notes	Share Capital	Share Premium	Contingency reserve	Fair value/available for sale Reserve	Retained Earnings	Total	Non controlling Interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000		
<b>Balance at 1 January 2018</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(1,990)</b>	<b>45,824,036</b>	<b>50,745,590</b>	<b>21,377,429</b>	<b>72,123,019</b>
Profit and loss	-	-	-	-	(6,089,961)	(6,089,961)	(3,494,653)	(9,584,614)
<b>Other comprehensive income</b>								
Net changes in fair value of financial assets	-	-	-	14,789	-	14,789	14,210	28,999
<b>Transactions with non-controlling interests</b>								
Acquisition of non-controlling interests - Grand Cereals Limited and CAP Plc	-	-	-	-	276,750	276,750	(276,750)	-
<b>Transactions with Equity holders</b>								
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)	(1,541,332)	(3,414,175)
<b>Balance at 31 December 2018</b>	<b>1,440,648</b>	<b>18,509,120</b>	<b>28,575</b>	<b>14,789</b>	<b>38,135,993</b>	<b>58,129,126</b>	<b>16,078,903</b>	<b>74,208,029</b>
<b>Balance at 1 January 2019</b>	<b>1,440,648</b>	<b>18,509,120</b>	<b>28,575</b>	<b>14,789</b>	<b>38,135,993</b>	<b>58,129,126</b>	<b>16,078,903</b>	<b>74,208,029</b>
Profit and loss	-	-	-	-	658,614	658,614	337,375	995,989
<b>Transactions with Equity holders</b>								
Dividends	-	-	-	-	-	-	(110)	(110)
<b>Balance at 31 March 2019</b>	<b>1,440,648</b>	<b>18,509,120</b>	<b>28,575</b>	<b>14,789</b>	<b>38,794,607</b>	<b>58,787,739</b>	<b>16,416,168</b>	<b>75,203,908</b>

		Attributable to owners of the Company						
Notes	Share Capital	Share Premium	Contingency reserve	Available for Reserve	Retained Earnings	Total	Non controlling Interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000		
<b>Balance at 1 January 2018</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(1,990)</b>	<b>46,827,439</b>	<b>51,748,993</b>	<b>21,377,429</b>	<b>73,126,422</b>
Profit and loss	-	-	-	-	343,555	343,555	254,571	598,126
<b>Transactions with Equity holders</b>								
Rights issue fully subscribed	480,216	14,574,584	-	-	-	15,054,800	-	15,054,800
Dividends	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>1,440,648</b>	<b>18,509,120</b>	<b>28,575</b>	<b>(1,990)</b>	<b>47,170,994</b>	<b>67,147,347</b>	<b>21,632,000</b>	<b>88,779,347</b>

UAC of Nigeria Plc

**Unaudited Consolidated statement of cash flow  
for the period ended 31 March 2019**

	Notes	The Group	
		31 Mar 19 N'000	31 Mar 18 N'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	2,386,184	(1,354,151)
Corporate tax paid		(44,692)	(71,074)
VAT paid		(228,345)	(169,230)
Interest received		940,008	702,642
Interest paid		(948,399)	(1,149,129)
<b>Net cash flow generated from operating activities</b>		<b>2,104,756</b>	<b>(2,040,943)</b>
<b>Cash flows from investing activities</b>			
Purchase of Intangible assets		-	(2,189)
Purchase of property, plant and equipment		(552,602)	(235,981)
Proceeds from sale of property, plant and equipment		19,888	7,422
Purchase of investment properties		-	(1,093)
Proceeds from sale of investment properties		972,619	66,665
Proceeds from disposal of financial asset		16,790	-
Cash Distribution from UPDC REIT		-	247,183
<b>Net cash generated from investing activities</b>		<b>456,696</b>	<b>82,007</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non controlling interests		(110)	-
Proceeds from borrowings		1,151,947	405,033
Proceeds from rights issue		-	15,366,915
Rights issue expenses		-	(312,115)
Repayment of borrowings		(766,920)	(2,065,500)
<b>Net cash flow used in financing activities</b>		<b>384,917</b>	<b>13,394,333</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>2,946,369</b>	<b>11,435,397</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>30,275,249</b>	<b>11,140,572</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	<b>17(i)</b>	<b>33,221,618</b>	<b>22,575,969</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: Animal Feeds, Paints, Packaged Foods, Quick Service Restaurants, Logistics and Real Estate. 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 2018.

##### **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 2018.

##### **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 2018. 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 2019**

**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, snacks, 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** - This is a non-reportable segments made up of 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
31 March 2019	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	12,139,375	2,897,536	4,296,984	336,534	1,476,057	507,745	190,860	21,845,092
Intergroup revenue	(774,948)	(2,140)	(57,664)	-	(228,983)	(23,605)	(132,444)	(1,219,785)
Revenue to third parties	11,364,427	2,895,396	4,239,320	336,534	1,247,074	484,140	58,416	20,625,307
Operating profit/(loss)	491,144	708,718	468,613	446	259,073	(232,062)	(205,374)	1,490,558
Profit/(loss) before tax	121,799	829,931	604,740	3,220	296,453	(967,721)	593,745	1,482,168
Loss after tax for the year from discontinued operations	-	-	-	-	-	(41,528)	-	(41,528)
Property, plant and equipment	13,127,885	1,703,856	2,704,470	222,499	3,346,450	36,987	676,446	21,818,592
Net assets	17,025,911	5,030,050	6,604,512	399,588	5,329,288	17,036,151	23,778,407	75,203,908

	Animal Feeds	Paints	Packaged Food	QSR	Logistics	Real Estate	Other	Total
31 March 2018	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	9,455,281	2,586,568	4,246,995	294,412	1,430,102	600,261	156,136	156,136
Intergroup revenue	(118,446)	(8,505)	-	(3,360)	(191,284)	(24,483)	(111,702)	(111,702)
Revenue to third parties	9,336,835	2,578,063	4,246,995	291,052	1,238,819	575,778	44,434	18,311,977
Operating profit/(loss)	400,004	644,072	323,276	(1,569)	201,611	(37,840)	(299,288)	1,230,267
(Loss)/Profit before tax	(26,666)	713,765	443,352	(567)	222,112	(745,468)	367,035	973,563
Loss after tax for the year from discontinued operations	-	-	-	-	-	(111,913)	1,080	(110,833)
Property, plant and equipment	11,999,564	1,546,048	3,231,263	274,324	3,493,391	69,198	641,852	21,255,641
Net assets	12,313,972	4,247,048	6,286,374	408,948	5,022,048	32,762,214	27,738,743	88,779,347

Included in the net assets of animal feeds and paint segments above, are the carrying amounts of Livestock Feeds and Portland Paints Plc amounting to N1.9 billion and N1.4 billion respectively (see note 13)

**Entity wide information**

Analysis of revenue by category:

Sale of goods

Revenue from services

	31 Mar 2019	31 Mar 2018
	N'000	N'000
Sale of goods	19,319,817	17,028,724
Revenue from services	1,305,490	1,283,253
	<b>20,625,307</b>	<b>18,311,977</b>
	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>
	<b>N'000</b>	<b>N'000</b>
	20,625,307	18,311,977
	<b>20,625,307</b>	<b>18,311,977</b>

Analysis of revenue by geographical location:

Nigeria

**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%.

**Disaggregated Revenue**

**Group**

Segments	For the period 31 March 2019							
	Animal Feeds	Paint	Packaged Food	QSR	Logistics	Real Estate	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Revenue from contracts with customers</b>								
Sale of goods	11,364,427	2,895,396	4,239,320	336,534	-	484,140	-	19,319,817
Rendering of service	-	-	-	-	1,247,074	-	58,416	1,305,490
<b>Total</b>	<b>11,364,427</b>	<b>2,895,396</b>	<b>4,239,320</b>	<b>336,534</b>	<b>1,247,074</b>	<b>484,140</b>	<b>58,416</b>	<b>20,625,307</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Geographical Markets</b>								
Nigeria	11,364,427	2,895,396	4,239,320	336,534	1,247,074	484,140	58,416	20,625,307
<b>Total</b>	<b>11,364,427</b>	<b>2,895,396</b>	<b>4,239,320</b>	<b>336,534</b>	<b>1,247,074</b>	<b>484,140</b>	<b>58,416</b>	<b>20,625,307</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Timing of revenue</b>								
Goods transferred at a point in time	11,364,427	2,895,396	4,239,320	336,534	-	484,140	-	19,319,817
Services transferred over time	-	-	-	-	1,247,074	-	58,416	1,305,490
<b>Total</b>	<b>11,364,427</b>	<b>2,895,396</b>	<b>4,239,320</b>	<b>336,534</b>	<b>1,247,074</b>	<b>484,140</b>	<b>58,416</b>	<b>20,625,307</b>
	=====	=====	=====	=====	=====	=====	=====	=====



**3(ii). Right of return assets and refund liabilities**

	The Group	
	31 Mar 2019 N'000	31 Dec 2018 N'000
Right of return assets	7,916	7,916
Refund liabilities		
Arising from retrospective volume rebates	-	-
Arising from rights of return	24,444	9,167
	<b>24,444</b>	<b>9,167</b>

**Group/Company**

**Right of return of assets**

A right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

**Group/Company**

**Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

**4. Other operating income**

	The Group	
	31 Mar 2019 N'000	31 Mar 2018 N'000
Profit on sales of Property, Plant and Equipment	4,879	298
Profit on sales of Investment Property	-	1,514
Government grant	29,589	77,643
Other income**	66,757	200,657
<b>Total other operating income</b>	<b>101,225</b>	<b>280,112</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**

	The Group	
	31 Mar 2019 N'000	31 Mar 2018 N'000
Loss on sales of Investment Property	(116,381)	-
<b>Total other operating losses</b>	<b>(116,381)</b>	<b>-</b>

**\*Losses on completed projects**

Losses are additional losses made post project completion.

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

	The Group	
	31 Mar 2019 N'000	31 Mar 2018 N'000
Changes in inventories of finished goods and work in progress	13,471,087	12,206,064
Personnel expenses	2,047,187	1,882,904
Depreciation	440,495	512,235
Amortisation of intangibles	25,651	38,506
Impairment of Property, Plant and Equipment	47,168	-
Allowance for /(recovery from) receivables impairment	(106,265)	(101,603)
Royalty fees	37,970	33,860
Rents & Rates	267,605	252,181
Electricity & power	610,366	401,072
Vehicles repairs, maintenance & fueling	205,159	258,675
Other repairs & maintenance	156,567	129,384
Auditors' remuneration	38,535	32,600
Information technology charge	73,736	69,109
Legal expenses	46,336	19,967
Donations & Subscriptions	20,496	18,512
Insurance	55,985	55,496
Distribution expenses	511,070	439,802
Marketing, Advertising & Communication	175,237	125,859
Sundry office expenses	995,208	987,199
	<b>19,119,593</b>	<b>17,361,822</b>

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

*Analysed as:*

Cost of sales	16,168,019	14,500,155
Selling and distribution expenses	1,405,820	1,287,981
Administrative expenses	1,545,754	1,573,686
	<b>19,119,593</b>	<b>17,361,822</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated financial statements**  
**for the period ended 31 March 2019**

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

	<b>The Group</b>	
	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>
	<b>N'000</b>	<b>N'000</b>
Interest income on short-term bank deposits	940,008	702,642
<b>Finance Income</b>	<b>940,008</b>	<b>702,642</b>
Interest on bank loans	948,399	1,122,538
Interest on bank overdraft	-	26,591
<b>Finance Costs</b>	<b>948,399</b>	<b>1,149,129</b>
<b>Net finance (cost) / income</b>	<b>(8,391)</b>	<b>(446,488)</b>

**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>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
<b>Profit attributable to ordinary equity shareholders:</b>		
Profit from continuing operations	700,142	454,388
Profit from discontinued operations	(41,528)	(110,833)
<b>Profit for the year</b>	<b>658,614</b>	<b>343,555</b>
<b>Basic earnings per share</b>		
From continuing operations	24	16
From discontinued operations	(1)	(4)
From profit for the year	23	12
<b>Diluted earnings per share</b>		
From continuing operations	24	16
From discontinued operations	(1)	(4)
From profit for the year	23	12

	<b>The Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Basic weighted average and Diluted weighted average number of shares (000)	<b>2,881,296</b>	2,881,296

*(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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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 2018	10,859,249	17,405,669	1,060,467	4,036,027	1,186,337	2,200,512	36,748,262
Additions	172,640	1,925,018	80,436	478,454	94,568	173,165	2,924,281
Disposals	-	(221,959)	(23,866)	(338,639)	(5,588)	(1,834)	(591,885)
Write Off	-	(601,499)	(278)	-	(554)	-	(602,331)
Reclassifications	12,724	536,414	5,551	19,507	767	(574,963)	-
<b>At 31 December 2018</b>	<b>11,044,613</b>	<b>19,044,310</b>	<b>1,117,929</b>	<b>4,183,852</b>	<b>1,275,530</b>	<b>1,796,881</b>	<b>38,463,114</b>
At 1 January 2019	11,044,613	19,044,310	1,117,929	4,183,852	1,275,530	1,796,881	38,463,114
Additions	41,912	346,227	26,316	59,123	10,432	68,590	552,602
Disposals	-	(2,117)	(1,548)	(48,265)	(36)	-	(51,967)
Write Off*	-	-	-	6	-	-	6
Reclassifications	-	2,519	-	-	-	(2,519)	-
Other reclassifications**	-	5,848	(13,516)	-	465	-	(7,203)
<b>At 31 March 2019</b>	<b>11,086,525</b>	<b>19,396,787</b>	<b>1,129,181</b>	<b>4,194,716</b>	<b>1,286,391</b>	<b>1,862,952</b>	<b>38,956,551</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2018	1,815,498	8,972,282	759,926	2,664,153	998,629	-	15,210,488
Charge for the year	295,672	1,295,216	136,592	337,522	72,596	-	2,137,598
Disposals	-	(197,006)	(58,296)	(246,434)	(3,628)	-	(505,365)
Write Off	-	(597,357)	(725)	-	(554)	-	(598,636)
Reclassifications	-	17,000	452	(17,452)	-	-	-
<b>At 31 December 2018</b>	<b>2,148,536</b>	<b>9,847,676</b>	<b>837,948</b>	<b>2,737,788</b>	<b>1,067,044</b>	<b>-</b>	<b>16,638,993</b>
At 1 January 2019	2,148,536	9,847,676	837,948	2,737,788	1,067,044	-	16,638,993
Charge for the year	73,435	226,646	33,927	92,129	14,359	-	440,495
Impairment charge	57,149	47,412	(228)	2,926	-	-	107,259
Disposals	-	(1,839)	(3,519)	(36,221)	(36)	-	(41,615)
Write Off*	-	-	-	6	-	-	6
Other reclassifications	-	-	(7,179)	-	-	-	(7,179)
<b>At 31 March 2019</b>	<b>2,279,120</b>	<b>10,119,896</b>	<b>860,949</b>	<b>2,796,628</b>	<b>1,081,366</b>	<b>-</b>	<b>17,137,958</b>
Net book values:							
<b>At 31 March 2019</b>	<b>8,807,406</b>	<b>9,276,891</b>	<b>268,232</b>	<b>1,398,088</b>	<b>205,025</b>	<b>1,862,952</b>	<b>21,818,592</b>
<b>At 31 December 2018</b>	<b>8,896,077</b>	<b>9,196,634</b>	<b>279,981</b>	<b>1,446,064</b>	<b>208,486</b>	<b>1,796,881</b>	<b>21,824,121</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.

No borrowing cost was capitalised during the year

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

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**9. Intangible assets and goodwill**

	<b>Group</b>					<b>Total</b>
	<b>Goodwill</b>	<b>Brands &amp; Trade Marks</b>	<b>Software</b>	<b>Capital Work in progress</b>		
<b>Cost</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>
At 1 January 2018	548,747	1,070,185	1,158,213	-		2,777,145
Additions - externally acquired during the year	-	-	28,494	4,620		33,114
Transfer	-	-	(666)	-		(666)
<b>At 31 December 2018</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,186,040</b>	<b>4,620</b>		<b>2,809,593</b>
At 1 January 2019	548,747	1,070,185	1,186,040	4,620		2,809,593
Additions - externally acquired during the year	-	-	-	-		-
<b>At 31 March 2019</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,186,040</b>	<b>4,620</b>		<b>2,809,593</b>
<b>Accumulated amortisation and impairment</b>						
At 1 January 2018	-	288,439	882,683	-		1,171,123
Amortisation for the year	-	-	125,504	-		125,504
Assets held for sales	-	-	(12,690)	-		(12,690)
<b>At 31 December 2018</b>	<b>-</b>	<b>288,439</b>	<b>995,497</b>	<b>-</b>		<b>1,283,937</b>
At 1 January 2019	-	288,439	995,497	-		1,283,937
Amortisation for the period	-	-	25,651	-		25,651
<b>At 31 March 2019</b>	<b>-</b>	<b>288,439</b>	<b>1,021,148</b>	<b>-</b>		<b>1,309,588</b>
<b>Net book values</b>						
<b>At 31 March 2019</b>	<b>548,747</b>	<b>781,746</b>	<b>164,892</b>	<b>4,620</b>		<b>1,500,005</b>
<b>At 31 December 2018</b>	<b>548,747</b>	<b>781,746</b>	<b>190,543</b>	<b>4,620</b>		<b>1,525,656</b>

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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 2018	840,735	12,645,302	13,486,037
Additions during the year	-	2,560	2,560
Disposals	(297,000)	(4,912,997)	(5,209,997)
Impairment of investment properties	-	(632,000)	(632,000)
Net gain from fair value adjustments on investment property	6,300	(596,236)	(589,936)
<b>At 31 December 2018</b>	<b>690,035</b>	<b>6,506,628</b>	<b>7,196,663</b>
At 1 January 2019	690,035	6,506,628	7,196,663
Disposals	-	(1,089,000)	(1,089,000)
<b>At 31 March 2019</b>	<b>690,035</b>	<b>5,417,628</b>	<b>6,107,663</b>

Fair value of investment properties is categorised as follows:

Internal valuation	31-Mar-19	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
		690,035	5,417,628	6,107,663
		<b>690,035</b>	<b>5,417,628</b>	<b>6,107,663</b>

Fair value of investment properties is categorised as follows:

External valuation	31-Dec-18	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
		690,035	6,506,628	7,196,663
		<b>690,035</b>	<b>6,506,628</b>	<b>7,196,663</b>

### 11. Investments in subsidiaries

#### Company

	31 Mar 2019 N'000	31 Dec 2018 N'000		
Opening balance	21,207,536	15,815,152		
Additions - Acquisitions in Subsidiaries	-	5,392,384		
<b>Closing Balance</b>	<b>21,207,536</b>	<b>21,207,536</b>		
	31 Mar 2019 N'000	31 Dec 2018 N'000	31 Mar 2019 % ownership	31 Dec 2018 % ownership
<b>Quoted shares:</b>				
<i>Chemical and Allied Products Plc</i>	494,684	494,684	51.58	51.58
361,034,361 ordinary shares of 50k each				
<i>UACN Property Development Company Plc</i>	4,851,897	4,851,897	64.16	64.16
1,667,187,500 ordinary shares of 50k each				
<i>Livestock Feeds Plc</i>	2,246,401	2,246,401	73.00	73.00
2,198,745,272 ordinary shares of 50k each				
<i>Portland Paints Plc</i>	1,938,283	1,938,283	85.50	85.50
677,093,500 ordinary shares of 50k each				
<b>Unquoted shares:</b>				
<i>Grand Cereals Limited</i>	7,259,495	7,259,495	67.15	67.15
1,359,888,000 ordinary shares of N1 each				
<i>UAC Foods Limited</i>	2,414,414	2,414,414	51.00	51.00
102,000,000 ordinary shares of 50k each				
<i>MDS Logistics Ltd</i>	1,861,233	1,861,233	51.00	51.00
51,000,000 ordinary shares of 50k each				
<i>UAC Restaurants Limited</i>	141,130	141,130	51.00	51.00
510,000 ordinary shares of N1 each				
	<b>21,207,536</b>	<b>21,207,536</b>		

Investments in subsidiaries are measured at cost

#### 11(i) Net Asset Held for Sale - UNICO CPFA

	2019 N'000	2018 N'000	The Company Shareholding 2019	2018
<i>UNICO CPFA Limited</i>				
130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67
	<b>130,000</b>	<b>130,000</b>		

### 12. Equity instrument at fair value through other comprehensive income

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

	The Group	
	2019 N'000	2018 N'000
Opening Balance as at 1 January	40,000	26,199
Fair value gain on available-for-sale financial assets	7,729	28,999
Disposal of available-for-sale financial assets	-	(15,198)
	<b>47,729</b>	<b>40,000</b>

#### 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	
	2019 N'000	2018 N'000
<b>Associate</b>		
UPDC's Investment in UPDC REIT	20,017,860	20,017,860
<b>Joint Ventures</b>		
Transit Village Dev. Co. Ltd*	73,606	73,606
<b>At 31 March</b>	<b>20,091,466</b>	<b>20,091,466</b>

\*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 31 March 2019. 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 31 March 2019, the fair value of each unit holders' contribution in UPDC REIT is N10.

#### 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	
	2019 N'000	2018 N'000
At 1 January	73,606	190,795
Share of loss of First Festival Mall Limited (Note 13.3)	-	(117,189)
<b>At 31 March</b>	<b>73,606</b>	<b>73,606</b>

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

	The Group	
	2019 N'000	2018 N'000
Share of profit in REIT (Associate)	-	247,183
Share of loss of First Festival Mall Limited (Joint Venture)	-	(57,400)
<b>Total</b>	<b>-</b>	<b>189,784</b>

14. Inventories

	The Group	
	2019 N'000	2018 N'000
Raw materials and consumables	17,199,848	18,829,760
Technical stocks and spares	1,789,620	1,878,575
Properties under construction (Note 15)	7,923,964	8,275,382
Finished goods and goods for resale	2,445,398	1,541,918
<b>Total</b>	<b>29,358,830</b>	<b>30,525,636</b>

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

No borrowing cost was capitalised during the period

15. Properties under construction included in inventories

Cost/Valuation	The Group	
	2019 N'000	2018 N'000
Balance 1 January	8,275,382	11,523,468
Additions	7,873	410,123
Disposals	(359,291)	(1,502,307)
Transfer to Investment Properties	-	(140,000)
Reclassifications	-	(698,286)
Write down of VMP2B, Parkview & Awoyaya Land	-	(1,317,616)
<b>Balance 31 March</b>	<b>7,923,964</b>	<b>8,275,382</b>

16. Trade and other receivables

Receivables due within one year	The Group	
	2019 N'000	2018 N'000
Trade receivables	4,748,204	4,085,850
Less: allowance for impairment of trade receivables	(1,586,943)	(1,693,208)
<b>Net trade receivables</b>	<b>3,161,261</b>	<b>2,392,642</b>
Receivables from group companies - Note 25(b)	-	-
Receivables from related companies - Note 25(c)	2,868,273	3,230,152
Allowance for expected credit losses on group companies	(110,614)	(442,457)
Other receivables	2,837,596	2,489,873
Advance payments	777,753	796,497
WHT receivable	783,031	664,600
Prepayments - staff grants	260,704	265,992
Prepayments- Other	855,005	836,393
<b>Total</b>	<b>11,433,009</b>	<b>10,233,691</b>

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	
	2019 N'000	2018 N'000
Prepayments - Current	1,115,708	1,102,385
Prepayments - Non-current	10,269	8,706
<b>Total prepayments</b>	<b>1,125,977</b>	<b>1,111,091</b>

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	
	2019 N'000	2018 N'000
At 1 January	1,693,208	1,429,318
(Recovery from)/Allowance for receivables impairment	(106,265)	263,890
<b>At 31 March</b>	<b>1,586,943</b>	<b>1,693,208</b>

17. Cash and cash equivalents

	The Group	
	2019 N'000	2018 N'000
Cash at bank and in hand	2,304,015	1,958,000
Short-term deposits	30,980,054	28,372,476
Expected credit losses on short term deposit	(62,451)	(55,226)
<b>Cash and short-term deposits</b>	<b>33,221,618</b>	<b>30,275,249</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 N4.6b which represents unclaimed dividends received from Africa Prudential Registrars as at March 2019.

(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	
	2019 N'000	2018 N'000
Cash and short-term deposits	33,221,618	30,275,249
Bank Overdrafts (Note 18)	-	-
<b>Balances per statement of cash flow</b>	<b>33,221,618</b>	<b>30,275,249</b>

18. Borrowings

	The Group	
	2019 N'000	2018 N'000
<b>Current borrowings</b>		
Overdrafts due within one year	-	-
Commercial papers due within one year	20,163,136	19,671,568
<b>Non-current borrowings</b>		
Loans due after one year (i)	4,394,252	4,500,793
<b>Total borrowings</b>	<b>24,557,388</b>	<b>24,172,361</b>

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group	
	2019 N'000	2018 N'000
Within one year	20,163,136	19,671,568
Between one to two years	4,394,252	4,500,793
More than three years	-	-
	<b>24,557,388</b>	<b>24,172,361</b>

(i) Loans due within one year

Bank	Effective Interest Rate	The Group		Maturity date	Security
		2019 N'000	2018 N'000		
FBN Merchant Bank	19.5%	243,861	243,861	May-19	Equitable mortgage
Coronation Merchant Bank	19.5%	341,035	341,035	May-19	Equitable mortgage
Union Bank of Nigeria Plc	8.0%	1,500,000	1,500,000	Oct-19	No security
FSDH Merchant Bank Ltd	16.0%	1,749,840	2,174,916	May-19	No security
Sterling Bank Plc - Agric Loan	9.0%	375,141	379,712	Dec-19	No security
First Bank of Nigeria Ltd	16.0%	2,962,258	1,322,696	Jun-19	No security
Issued CP	14.4%	12,991,000	13,709,348	May-19	Equitable mortgage
		<b>20,163,136</b>	<b>19,671,568</b>		

The above borrowings are denominated in Naira

(ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	The Group		Maturity date
		2019 N'000	2018 N'000	
<b>Facility</b>				
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	17%	138,499	245,040	July, 2020
		<b>138,499</b>	<b>245,040</b>	
<b>Term Loan:</b>				
UPDC - First Securities Discount House	NIBOR + 3%	-	-	
UPDC 5-Year Bond	16%	4,255,753	4,255,793	May, 2023
		<b>4,394,252</b>	<b>4,500,793</b>	



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**19. Trade and other payables**

	<b>The Group</b>	
	<b>2019</b> N'000	<b>2018</b> N'000
Trade payables	3,191,259	6,843,729
Amount owed to related companies (Note 25d)	95,196	32,359
Provision for employee leave	16,130	14,485
Other payables	3,205,435	3,444,840
WHT payable	95,603	122,668
VAT payable	231,172	328,853
PAYE payable	5,477	4,711
Advance from customers	3,834,323	1,267,324
Accruals	5,171,653	3,378,727
<b>Total</b>	<b>15,846,247</b>	<b>15,437,697</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. 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. Deferred revenue**

	<b>The Group</b>	
	<b>2019</b> N'000	<b>2018</b> N'000
<b>At 1 January</b>	<b>213,312</b>	<b>216,654</b>
Deferred during the period	90,534	383,887
Released to the statement of profit or loss	(105,321)	(387,229)
<b>At 31 March</b>	<b>198,525</b>	<b>213,312</b>
Current	197,085	211,736
Non-current	1,441	1,577
	<u>198,526</u>	<u>213,313</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.

**21. Dividend payable**

	<b>The Group</b>	
	<b>2019</b> N'000	<b>2018</b> N'000
As at 1 January	4,899,962	4,655,045
Dividend declared	-	1,872,842
Dividend paid during the year	-	(1,830,540)
Unclaimed dividend refunded	-	202,615
<b>At 31 March</b>	<b>4,899,962</b>	<b>4,899,962</b>

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**22. Provisions**

<b>The Group</b>	Contingent Liabilities N'000	Legal claim N'000	Decommissioning liability N'000	Total N'000
At 1 January 2019	3,000	90,085	10,875	103,960
Unwinding of discount	-	-	-	-
<b>31 March 2019</b>	<b>3,000</b>	<b>90,085</b>	<b>10,875</b>	<b>103,960</b>
Current	3,000	90,085	-	93,085
Non-current	-	-	10,875	10,875
At 1 January 2018	3,000	89,456	17,223	109,679
Unwinding of discount	-	-	3,439	3,439
Derecognised on payment	-	-	(9,787)	(9,787)
Provision in respect of rent of property	-	-	-	-
Exchange difference arising from litigation	-	629	-	629
<b>31 December 2018</b>	<b>3,000</b>	<b>90,085</b>	<b>10,875</b>	<b>103,960</b>
Current	3,000	90,085	-	93,085
Non-current	-	-	10,875	10,875

**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.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated financial statements**  
**for the period ended 31 March 2019**

**23. Share Capital**

Group and Company

	2019		2018	
	Number 000	Amount N'000	Number 000	Amount N'000
<b>Authorised:</b>				
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
<b>Total authorised share capital</b>	<b>3,400,000</b>	<b>1,700,000</b>	<b>3,400,000</b>	<b>1,700,000</b>
<b>Issued and fully paid:</b>				
Ordinary shares of 50k each	2,881,296	1,440,648	2,881,296	1,440,648
<b>Total called up share capital</b>	<b>2,881,296</b>	<b>1,440,648</b>	<b>2,881,296</b>	<b>1,440,648</b>

**Movements during the period:**

	Group and Company	
	Number of shares 000	Ordinary shares =N='000
<b>At 31 December 2018</b>	<b>2,881,296</b>	<b>1,440,648</b>
Capitalised during the period	-	-
<b>At 31 March 2019</b>	<b>2,881,296</b>	<b>1,440,648</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).

*Fair value/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.

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

	Group	
	2019 N'000	2018 N'000
<b>Profit before tax from continuing operations</b>	<b>1,482,168</b>	<b>973,563</b>
Loss before tax from discontinued operations	(41,528)	(110,833)
Adjustment for net finance (income)/costs	8,391	446,488
<b>Operating profit</b>	<b>1,449,030</b>	<b>1,309,218</b>
Amortisation of intangible assets	25,651	38,506
Share of associate and joint ventures' profit	-	(189,784)
Dividend income	-	-
Depreciation	440,495	512,235
Impairment charges on PPE	107,259	-
Profit on sale of tangible PPE	(4,879)	(298)
Loss on sale of tangible PPE	-	-
Loss on sale of Investment Properties	116,381	-
Profit on sale of Investment Properties	-	(1,514)
<b>Operating cash flows before movements in working capital</b>	<b>2,133,937</b>	<b>1,668,363</b>
Movements in working capital:		
Changes in inventories	1,166,806	(3,163,312)
Changes in trade and other receivables and prepayments	(1,200,881)	(86,247)
Changes in trade and other payables	201,950	280,834
Changes in provisions	1	-
Changes in refund liability	15,277	-
<b>Net cash from/(used in) operations - continuing operations</b>	<b>2,317,089</b>	<b>(1,300,361)</b>
Changes in inventories	(36,245)	(1,801)
Changes in trade and other receivables and prepayments	(25,772)	(48,076)
Changes in trade and other payables	131,113	(3,912)
<b>Net cash from/(used in) operations - discontinued operations</b>	<b>69,095</b>	<b>(53,789)</b>
<b>Net cash from/(used in) operations</b>	<b>2,386,184</b>	<b>(1,354,151)</b>

**25. 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) **N126 million** (2018: **N105 million**).

This has been included in the revenue of the Company.

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
UACN Property Development Co. Plc	3,869	5,155
Grand Cereals Limited	69,447	57,923
Chemical & Allied Products Plc	21,202	19,625
Portland Paints & Products Plc	7,774	6,266
Livestock Feeds Plc	24,017	16,176
	<b>126,308</b>	<b>105,145</b>

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

**Receivable:**

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
UACN Property Development Co. Plc	1,284,443	1,426,131
Chemical & Allied Products Plc	44,829	23,071
Grand Cereals Limited	3,179,009	3,168,457
UNICO CPFA Ltd	554	3,121
UAC Restaurants Limited	9,286	6,905
Portland Paints Plc	99,275	87,207
Livestock Feeds Plc	54,598	17,011
MDS Logistics Ltd	-	7,936
UAC Foods Ltd	31,344	55,327
	<b>4,703,339</b>	<b>4,795,165</b>

All trading balances will be settled in cash.

*(c) Receivables from related companies*

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
UPDC Metrocity Limited	1,654,508	1,681,460
First Restoration Dev. Co. Limited	385,570	360,084
Calabar Golf Estate Limited	320,805	237,055
Imani and Sons	367,050	496,734
UPDC REIT	29,726	12,363
	<b>2,757,659</b>	<b>2,787,695</b>

There were no allowance for doubtful debt relating to related party receivables as at 31 March 2019 (2018: nil) and no charges to the profit or loss in respect of doubtful related party receivables.

*(d) Amount owed to related companies*

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
UPDC REIT	-	-
James Pinnock current account	95,196	32,359
	<b>95,196</b>	<b>32,359</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2018.

**26. Disposal group held for sale and discontinued operations**

Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2018.

**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)**

Members of UNICO PFA at Extra-Ordinary General Meeting approved voluntary winding up of company on February 6, 2019. Mr Godwin Abimbola Samuel was appointed as Liquidator. The Company is thus in liquidation. Hence, this entity was classified as a disposal group held for distribution to owners in the year ended 31 December 2018.

**Warm Spring Waters Nigeria Limited (WSWNL)**

The members of Warm Spring Waters Nigeria Limited at an Extra-Ordinary Meeting held on 6 February, 2018 passed a special resolution for the winding up of the Company subject to court supervision. The Federal High Court sitting at Ado-Ekiti on 14 May, 2018 granted the petition for the winding up of the Company and appointed Mr Samuel Akindola of Baker Tilly as its Liquidator. The Liquidator has sold the assets of the company to Unique Grains and Foods Limited, who has taken over the same.

**Exception to one year requirement:**

IFRS 5 requires that except for certain exceptions, the sale of a non-current asset or disposal group is expected to qualify for recognition as a completed sale within one year from the date of classification. However, during the year, there were certain factors considered to be beyond the control of management which have invariably extended the sale period beyond one year. These factors include but are not limited to slow down in business activities in view of the upcoming elections. Management however, remains committed to concluding the sale within a reasonable time frame

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

	UHL 31-Mar-19 N'000	UNICO 31-Mar-19 N'000	WSWNL 31-Mar-19 N'000	TOTAL 31-Mar-19 N'000
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	11,855,509	2,920	606,150	12,464,578
Intangible assets	4,180	-	-	4,180
Deferred tax asset	-	945	-	945
	11,859,689	3,865	606,150	12,469,703
<b>Current assets</b>				
Inventories	130,605	-	25,403	156,008
Trade and other receivables	184,033	-	21,936	205,969
Statutory Reserve Fund Account	-	66,096	-	66,096
Held to maturity- Treasury bills	-	184,266	-	184,266
Cash and short-term deposits	50,231	42,256	3,769	96,256
	364,869	292,618	51,108	708,595
Assets of disposal group classified as held for sale/ distribution to owners	12,224,558	296,482	657,258	13,178,298
Less: Impairment of assets of disposal group held for sale	(4,029,237)	-	-	(4,029,237)
<b>Total</b>	<b>8,195,321</b>	<b>296,482</b>	<b>657,258</b>	<b>9,149,061</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	-	-	-	-
Deferred taxation liabilities	-	-	-	-
	-	-	-	-
<b>Current liabilities</b>				
Trade and other payables	815,301	23,871	151,329	990,501
Current income tax liabilities	-	8,004	17,120	25,124
	815,301	31,876	168,449	1,015,626
<b>Total</b>	<b>815,301</b>	<b>31,876</b>	<b>168,449</b>	<b>1,015,626</b>

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 31-Mar-19 N'000	UNICO 31-Mar-19 N'000	WSWNL 31-Mar-19 N'000	TOTAL 31-Mar-19 N'000	UHL 31-Mar-18 N'000	UNICO 31-Mar-18 N'000	TOTAL 31-Mar-18 N'000
Revenue	337,739	-	-	337,739	321,329	42,019	363,348
Cost of sales	(316,067)	-	-	(316,067)	(311,333)	-	(311,333)
Gross profit	21,672	-	-	21,672	9,996	42,019	52,015
Other income	-	-	-	-	-	400	400
Selling and distribution expenses	(16,252)	-	-	(16,252)	(20,225)	-	(20,225)
Administrative expenses	(46,973)	-	-	(46,973)	(101,684)	(49,164)	(150,848)
Operating profit	(41,553)	-	-	(41,553)	(111,913)	(6,745)	(118,658)
Finance income	24	-	-	24	-	7,825	7,825
Finance cost	-	-	-	-	-	-	-
(Loss)/Profit before tax from discontinued operations	(41,528)	-	-	(41,528)	(111,913)	1,080	(110,833)
Tax expense:							
Related to pre-tax profit/(loss) from the ordinary activities for the period	-	-	-	-	-	-	-
(Loss)/profit from discontinued operations	(41,528)	-	-	(41,528)	(111,913)	1,080	(110,833)

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 31-Mar-19 N'000	UNICO 31-Mar-19 N'000	WSWNL 31-Mar-19 N'000	UHL 31-Mar-18 N'000	UNICO 31-Mar-18 N'000	WSWNL 31-Mar-18 N'000
Operating	54,108	36,388	-	78,327	46,448	-
Investing	(42,779)	22,660	-	(41,238)	-	-
Financing	-	(37,500)	-	-	(19,500)	-
<b>Net cash (outflows)/inflows</b>	<b>11,328</b>	<b>21,547</b>	<b>-</b>	<b>37,089</b>	<b>26,948</b>	<b>-</b>