



UAC of Nigeria Plc
Unaudited Financial Statements for the Period
ended 30 September 2019

UAC of Nigeria Plc
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for the period ended 30 September 2019

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UAC of Nigeria Plc

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the period ended 30 September 2019

	Notes	The Group			
		3 months to September 2019 N'000	9 months to September 2019 N'000	3 months to September 2018 N'000 Restated	9 months to September 2018 N'000 Restated
Continuing operations					
Revenue	3	20,435,433	60,547,710	17,947,611	53,773,416
Cost of sales	5	(16,516,739)	(48,326,660)	(14,905,709)	(43,243,881)
Gross profit		3,918,694	12,221,050	3,041,902	10,529,535
Other operating income	4	1,000,044	1,204,749	309,917	641,441
Selling and distribution expenses	5	(1,549,621)	(4,228,198)	(1,239,904)	(3,680,485)
Administrative expenses	5	(1,750,763)	(4,562,779)	(1,430,414)	(4,318,594)
Operating profit		1,618,353	4,634,822	681,502	3,171,897
Finance income	6	555,297	2,209,362	706,842	2,033,071
Finance cost	6	(45,659)	(292,049)	(2,830)	(192,117)
Net finance income		509,638	1,917,313	704,012	1,840,955
Profit before tax		2,127,992	6,552,136	1,385,514	5,012,852
Income Tax Expense		(944,482)	(1,851,768)	(951,317)	(1,403,599)
Profit after tax for the period from continuing operations		1,183,510	4,700,368	434,196	3,609,253
Discontinued operations					
Loss after tax for the period from discontinued operations	26	(17,415,645)	(17,457,173)	(2,775,329)	(4,603,543)
Loss for the period		(16,232,135)	(12,756,805)	(2,341,132)	(994,290)
(Loss)/Profit attributable to:					
Equity holders of the parent		(10,421,272)	(8,624,944)	(1,450,475)	(714,776)
Non controlling interests		(5,810,863)	(4,131,861)	(890,657)	(279,514)
		(16,232,135)	(12,756,805)	(2,341,132)	(994,290)
Total comprehensive income attributable to:					
Equity holders of the parent		(10,421,272)	(8,624,944)	(1,450,475)	(714,776)
Non controlling interests		(5,810,863)	(4,131,861)	(890,657)	(279,514)
		(16,232,135)	(12,756,805)	(2,341,132)	(994,290)
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	45	124	13	78
From discontinued operations	7	(407)	(424)	(64)	(103)
From loss for the period		(362)	(299)	(50)	(25)
Diluted Earnings Per Share					
From continuing operations	7	45	124	13	78
From discontinued operations	7	(407)	(424)	(64)	(103)
From loss for the period		(362)	(299)	(50)	(25)

For purpose of proper comparison, comparative figures of 9M 2018 have been adjusted to align with 9M 2019 for change in designation of a new disposal group held for sale in line with IFRS 5 (Note 26).

UAC of Nigeria Plc

Unaudited Consolidated Statement of Financial Position
as at 30 September 2019

	Notes	The Group	
		30 Sep 19 N'000	31 Dec 18 N'000
Assets			
Non-current assets			
Property, plant and equipment	8	21,756,713	21,824,121
Intangible assets and goodwill	9	1,492,725	1,525,656
Investment property	10	2,619,280	7,196,663
Investments in associates and joint ventures	13	-	20,091,466
Right of use assets	13.3	2,767,650	-
Equity instrument at fair value through other comprehensive	12	30,000	40,000
Prepayment	16	15,458	8,706
Deferred tax asset		90,144	90,144
		28,771,970	50,776,755
Current assets			
Inventories	14	16,033,862	30,525,636
Trade and other receivables	16	22,169,259	10,233,691
Cash and Cash equivalents	17	20,511,703	30,275,249
Right of return assets	3(ii)	7,489	7,916
		58,722,312	71,042,492
Assets of disposal group classified as held for sale/distribution to owners	26	25,370,250	9,273,914
Total assets		112,864,532	131,093,162
Equity and Liabilities			
Ordinary share capital	23	1,440,648	1,440,648
Share premium		18,509,120	18,509,120
Contingency reserve		28,575	28,575
Fair value/available for sale reserve		14,789	14,789
Retained earnings		27,667,019	38,135,993
Equity attributable to equity holders of the Company		47,660,152	58,129,126
Non controlling interests		10,803,738	16,078,903
Total equity		58,463,890	74,208,029
Liabilities			
Non-current liabilities			
Borrowings	18	2,130,000	4,500,793
Deferred tax liabilities		4,627,242	4,707,053
Lease Liability	13.4	1,506,421	-
Deferred revenue	20	-	1,577
Provisions	22	10,874	10,874
		8,274,537	9,220,297
Current liabilities			
Trade and other payables	19	5,440,614	15,437,697
Contract liabilities		17,132	55,373
Current income tax liabilities		4,760,357	6,336,866
Bank overdrafts and current portion of borrowings	18	2,751,775	19,671,568
Dividend payable	21	4,615,926	4,899,962
Deferred revenue	20	88,772	211,736
Lease Liability	13.4	18,519	-
Provisions	22	93,085	93,085
Refund liabilities	3(ii)	8,535	9,167
		17,794,715	46,715,454
Liabilities of disposal group classified as held for sale/distribution to owners	26	28,331,391	949,382
Total liabilities		54,400,642	56,885,133
Total equity and liabilities		112,864,532	131,093,162

The financial statements and the notes on pages 5 to 19 were approved and authorised before issue by the board of directors on 30 October 2019 and were signed on its behalf by:

Mr. Dan Agbor
Chairman
FRC/2013/NBA/0000001748

Mr. Folasope Aiyesimoju
Group Managing Director
FRC/2019/IODN/0000019806

Mr. Ibikunle Oriola
Group Finance Director
FRC/2013/ICAN/0000004372

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 30 September 2019

The Group								
Notes	Attributable to owners of the Company						Non controlling Interest N'000	Total N'000
	Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Fair value/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)	45,824,036	50,745,590	21,377,429	72,123,019
Profit and loss	-	-	-	-	(6,089,961)	(6,089,961)	(3,494,653)	(9,584,614)
Other comprehensive income								
Net changes in fair value of financial assets	-	-	-	14,789	-	14,789	14,210	28,999
Transactions with non-controlling interests								
Acquisition of non-controlling interests - Grand Cereals Limited and CAP Plc	-	-	-	-	276,750	276,750	(276,750)	-
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)	(1,541,332)	(3,414,175)
Balance at 31 December 2018	1,440,648	18,509,120	28,575	14,789	38,135,993	58,129,126	16,078,903	74,208,029
Balance at 1 January 2019	1,440,648	18,509,120	28,575	14,789	38,135,993	58,129,126	16,078,903	74,208,029
Profit and loss	-	-	-	-	(8,624,944)	(8,624,944)	(4,131,861)	(12,756,805)
Transactions with Equity holders								
Dividends	-	-	-	-	(1,844,029)	(1,844,029)	(1,143,304)	(2,987,334)
Balance at 30 September 2019	1,440,648	18,509,120	28,575	14,789	27,667,019	47,660,152	10,803,738	58,463,890

The Group								
Notes	Attributable to owners of the Company						Non controlling Interest N'000	Total N'000
	Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for 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	-	-	-	-	(714,776)	(714,776)	(279,514)	(994,290)
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	-	44,508,665	64,487,008	19,533,021	84,020,029

UAC of Nigeria Plc

**Unaudited Consolidated statement of cash flow
for the period ended 30 September 2019**

	Notes	The Group	
		30 Sep 19 N'000	30 Sep 18 N'000
Cash flows from operating activities			
Cash generated from operations	24	(5,365,775)	8,737,400
Corporate tax paid		(1,491,406)	(1,641,770)
VAT paid		(471,615)	(235,104)
Interest received		2,209,362	2,033,071
Interest paid		(292,049)	(192,117)
Net cash flow generated from operating activities		(5,411,482)	8,701,481
Cash flows from investing activities			
Purchase of Intangible assets		(63,799)	(18,792)
Purchase of property, plant and equipment		(1,650,725)	(1,289,868)
Proceeds from sale of property, plant and equipment		47,273	91,040
Purchase of investment properties		(917)	(1,710)
Proceeds from sale of investment properties		1,011,286	75,643
Proceeds from disposal of financial asset		-	16,789
Net cash generated from investing activities		(656,883)	(1,126,898)
Cash flows from financing activities			
Dividends paid to non controlling interests		(1,143,304)	(1,294,060)
Dividends paid to Company shareholders		(1,921,724)	(1,830,540)
Proceeds from rights issue		-	16,113,352
Rights issue expenses		-	(312,115)
Repayment of borrowings		(695,337)	(385,426)
Proceeds of capital injection by non-controlling interest		66,640	-
Net cash flow used in financing activities		(3,693,725)	12,291,211
Net increase in cash & cash equivalents		(9,762,090)	19,865,793
Cash & cash equivalents at the beginning of the year		30,275,249	11,140,572
Effects of exchange rate changes on cash and cash equivalents.		(1,456)	-
Cash & cash equivalents at the end of the period after adjusting for bank overdraft	17(i)	20,511,703	31,006,365

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.

2.5 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

UAC of Nigeria Plc
Notes to the Unaudited Consolidated financial statements
for the period ended 30 September 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 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

	Animal Feeds N'000	Paints N'000	Packaged Food N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
30 September 2019								
Total Revenue	37,157,022	7,772,992	12,968,374	1,090,198	4,265,601	-	560,911	63,815,099
Intergroup revenue	(2,193,684)	(64,526)	(76,124)	-	(538,126)	-	(394,929)	(3,267,389)
Revenue to third parties	34,963,337	7,708,466	12,892,250	1,090,198	3,727,476	-	165,982	60,547,710
Operating profit/(loss)	928,984	1,613,351	1,111,356	(30,251)	619,750	-	391,633	4,634,823
Profit/(loss) before tax	46,525	1,945,909	1,498,733	(56,075)	595,755	-	2,521,289	6,552,136
Profit/(Loss) after tax for the year from discontinued operations	-	-	295,565	-	-	(17,752,738)	-	(17,457,173)
Property, plant and equipment	12,842,719	1,724,191	2,885,391	318,903	3,290,960	-	694,548	21,756,713
Net assets	16,454,211	3,483,826	6,252,233	456,376	4,680,386	-	27,136,857	58,463,890

	Animal Feeds N'000	Paints N'000	Packaged Food N'000	QSR N'000	Logistics N'000	Real Estate N'000	Other N'000	Total N'000
30 September 2018								
Total Revenue	30,627,665	7,428,383	12,161,702	917,514	4,479,738	-	484,865	56,099,866
Intergroup revenue	(1,394,672)	(20,844)	(4,668)	-	(558,122)	-	(348,145)	(2,326,451)
Revenue to third parties	29,232,993	7,407,539	12,157,034	917,514	3,921,616	-	136,721	53,773,415
Operating profit/(loss)	574,563	1,777,968	759,172	8,563	765,870	-	(714,239)	3,171,897
(Loss)/Profit before tax	(300,642)	1,986,585	1,121,976	13,773	837,400	-	1,353,761	5,012,851
Loss after tax for the year from discontinued operations	-	-	-	-	-	(4,627,810)	24,267	(4,603,543)
Property, plant and equipment	12,031,414	1,603,879	3,061,623	251,859	3,427,705	-	678,573	21,055,051
Net assets	16,749,484	3,789,930	6,044,764	392,696	4,951,845	-	39,316,987	71,245,706

Entity wide information

Analysis of revenue by category:

	30 Sep 2019 N'000	30 Sep 2018 N'000
Sale of goods	56,654,252	49,715,079
Revenue from services	3,893,458	4,058,336
	60,547,710	53,773,415

Analysis of revenue by geographical location:

	30 Sep 2019 N'000	30 Sep 2018 N'000
Nigeria	60,547,710	53,773,415
	60,547,710	53,773,415

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 30 September 2019							
	Animal Feeds N'000	Paint N'000	Packaged Food N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
Revenue from contracts with customers								
Sale of goods	34,963,337	7,708,466	12,892,250	1,090,198	-	-	-	56,654,252
Rendering of service	-	-	-	-	3,727,476	-	165,982	3,893,458
Total	34,963,337	7,708,466	12,892,250	1,090,198	3,727,476	-	165,982	60,547,710
Geographical Markets								
Nigeria	34,963,337	7,708,466	12,892,250	1,090,198	3,727,476	-	165,982	60,547,710
Total	34,963,337	7,708,466	12,892,250	1,090,198	3,727,476	-	165,982	60,547,710
Timing of revenue								
Goods transferred at a point in time	34,963,337	7,708,466	12,892,250	1,090,198	-	-	-	56,654,252
Services transferred over time	-	-	-	-	3,727,476	-	165,982	3,893,458
	34,963,337	7,708,466	12,892,250	1,090,198	3,727,476	-	165,982	60,547,710

UAC of Nigeria Plc
Notes to the Unaudited Consolidated financial statements
for the period ended 30 September 2019

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

	The Group	
	30 Sep 2019 N'000	31 Dec 2018 N'000
Right of return assets	7,489	7,916
Refund liabilities		
- Arising from retrospective volume rebates	-	-
- Arising from rights of return	8,535	9,167
	8,535	9,167

Group/Company

Right of return of assets

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	
	30 Sep 2019 N'000	30 Sep 2018 N'000
Profit on sales of Property, Plant and Equipment	27,180	13,383
Profit on sales of Investment Property	631,286	12,943
Profit on sales of financial assets	-	1,591
Government grant	76,548	199,084
Write back of statute barred unclaimed dividend	206,342	149,445
Other income**	263,394	264,995
Total other operating income	1,204,749	641,441

***Other income**

Other income includes service charges and income from professional services, insurance claims, sale of scraps etc.

5(a) . Expenses by nature

	The Group	
	30 Sep 2019 N'000	30 Sep 2018 N'000
Changes in inventories of finished goods and work in progress	39,117,680	34,097,034
Personnel expenses	6,487,165	6,141,395
Depreciation charge on PPE	1,336,537	1,561,198
Depreciation charge on leases	110,233	-
Amortisation of intangibles	79,207	100,100
Allowance for /(recovery from) receivables impairment	(379,067)	(130,494)
Royalty fees	109,387	94,033
Rents & Rates	469,401	657,126
Electricity & power	1,736,302	1,473,480
Vehicles repairs, maintenance & fueling	631,975	600,029
Other repairs & maintenance	857,598	757,920
Auditors' remuneration	97,948	91,800
Information technology charge	264,312	251,246
Legal expenses	87,165	85,073
Donations & Subscriptions	34,927	47,875
Insurance	180,635	134,297
Distribution expenses	1,989,008	1,539,587
Marketing, Advertising & Communication	559,716	490,645
Sundry office expenses	3,312,287	3,112,272
	57,117,637	51,242,960
5(b). Expenses by function		
<i>Analysed as:</i>		
Cost of sales	48,326,660	43,243,881
Selling and distribution expenses	4,228,198	3,680,485
Administrative expenses	4,562,779	4,318,594
	57,117,637	51,242,960

UAC of Nigeria Plc
Notes to the Unaudited Consolidated financial statements
for the period ended 30 September 2019

6. Net finance income/(cost)

	The Group	
	30 Sep 2019	30 Sep 2018
	N'000	N'000
Interest income on short-term bank deposits	2,209,362	2,033,071
Finance Income	2,209,362	2,033,071
Interest on bank loans	289,881	191,420
Interest expense on lease liability	2,168	-
Interest on bank overdraft	-	697
Finance Costs	292,049	192,117
Net finance (cost) / income	1,917,313	1,840,955

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	
	2019	2018
	N'000	N'000
Profit attributable to ordinary equity shareholders:		
Profit from continuing operations	3,557,729	2,254,427
Loss from discontinued operations	(12,182,673)	(2,969,203)
Loss for the period	(8,624,944)	(714,776)
Basic earnings per share		
From continuing operations	124	78
From discontinued operations	(424)	(103)
From loss for the period	(299)	(25)
Diluted earnings per share		
From continuing operations	124	78
From discontinued operations	(424)	(103)
From loss for the period	(299)	(25)

	The Company	
	2019	2018
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	2,881,296	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)	-
At 31 December 2018	11,044,613	19,044,310	1,117,929	4,183,852	1,275,530	1,796,881	38,463,114
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	67,216	814,060	64,316	484,696	70,058	150,378	1,650,725
Disposals	-	(741,720)	(5,657)	(152,256)	(264)	-	(899,898)
Reclassifications	16,321	24,569	2,596	2,255	7,001	(52,742)	-
Other reclassifications	-	(3)	-	-	-	(36,209)	(36,212)
Assets held for sale - Note 26	-	(76,120)	(58,190)	(129,976)	(57,676)	(2,604)	(324,566)
At 30 September 2019	11,128,151	19,064,411	1,120,993	4,388,572	1,294,649	1,854,608	38,851,382
Accumulated depreciation and impairment							
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)	-	-	-
At 31 December 2018	2,148,536	9,847,676	837,948	2,737,788	1,067,044	-	16,638,993
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	201,044	822,870	101,711	280,279	40,867	-	1,446,770
Impairment charge	143,200	36,412	-	-	-	-	179,612
Disposals	-	(739,598)	(5,109)	(133,792)	(261)	-	(878,760)
Write Off*	-	(12)	-	-	-	-	(12)
Assets held for sale - Note 26	-	(77,667)	(53,420)	(107,099)	(53,746)	-	(291,932)
At 30 September 2019	2,492,780	9,889,681	881,129	2,777,176	1,053,904	-	17,094,670
Net book values:							
At 30 September 2019	8,635,371	9,174,730	239,864	1,611,396	240,745	1,854,608	21,756,713
At 31 December 2018	8,896,077	9,196,634	279,981	1,446,064	208,486	1,796,881	21,824,121

*Assets written off include fully depreciated assets no longer in use and damaged assets identified 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

	Group				Total
	Goodwill	Brands & Trade Marks	Software	Capital Work in progress	
Cost	N'000	N'000	N'000	N'000	N'000
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)
At 31 December 2018	548,747	1,070,185	1,186,040	4,620	2,809,593
At 1 January 2019	548,747	1,070,185	1,186,040	4,620	2,809,593
Additions - externally acquired during the year	-	-	63,799	-	63,799
Assets held for sale - Note 26	-	-	(292,358)	-	(292,358)
At 30 September 2019	548,747	1,070,185	957,481	4,620	2,581,033
Accumulated amortisation and impairment					
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)
At 31 December 2018	-	288,439	995,497	-	1,283,937
At 1 January 2019	-	288,439	995,497	-	1,283,937
Amortisation for the period	-	-	79,207	-	79,207
Assets held for sale - Note 26	-	-	(274,836)	-	(274,836)
At 30 September 2019	-	288,439	799,867	-	1,088,307
Net book values					
At 30 September 2019	548,747	781,746	157,613	4,620	1,492,726
At 31 December 2018	548,747	781,746	190,543	4,620	1,525,656

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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
Reclassification from property stocks held as inventories (Note 19)	140,000	-	140,000
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)
At 31 December 2018	690,035	6,506,628	7,196,663
At 1 January 2019	690,035	6,506,628	7,196,663
Additions during the period	-	917	917
Disposals	(75,000)	(1,959,000)	(2,034,000)
Assets held for sale - Note 26	(245,438)	(2,298,862)	(2,544,300)
At 30 September 2019	369,597	2,249,684	2,619,281

Fair value of investment properties is categorised as follows:

Internal valuation	30-Sep-19	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
		369,597	2,249,684	2,619,281
		<u>369,597</u>	<u>2,249,684</u>	<u>2,619,281</u>

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
		<u>690,035</u>	<u>6,506,628</u>	<u>7,196,663</u>

11. Investments in subsidiaries

Company	30 Sep 2019 N'000	31 Dec 2018 N'000	30 Sep 2019 N'000	31 Dec 2018 N'000	30 Sep 2019 % ownership	31 Dec 2018 % ownership
Opening balance	21,207,536	15,815,152				
Additions - Acquisitions in Subsidiaries	69,360	5,392,384				
Closing Balance	21,276,896	21,207,536				
Quoted shares:						
<i>Chemical and Allied Products Plc</i> 361,034,361 ordinary shares of 50k each	494,684	494,684	51.58	51.58	51.58	51.58
<i>UACN Property Development Company Plc</i> 1,667,187,500 ordinary shares of 50k each	-	4,851,897	64.16	64.16	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	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	85.50	85.50
Unquoted shares:						
<i>Grand Cereals Limited</i> 1,359,888,000 ordinary shares of N1 each	7,259,495	7,259,495	67.15	67.15	67.15	67.15
<i>UAC Foods Limited</i> 102,000,000 ordinary shares of 50k each	2,414,414	2,414,414	51.00	51.00	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	51.00	51.00
<i>UAC Restaurants Limited</i> 510,000 ordinary shares of 50k each	210,489	141,130	51.00	51.00	51.00	51.00
	16,424,999	21,207,536				

Partial disposal of MDS Logistics Ltd*

On 23 July 2019, UACN signed an agreement with IMI, Imperial Capital Limited (ICL), Imperial Logistics Limited (ILL) and Imperial Managed Solutions West Africa Limited (IMS West Africa Limited) for the sale of 8% of its 51% shareholding in MDS. Regulatory approval is being sought to formalise processes and full details will be included in FY 2019.

Investments in subsidiaries are measured at cost

11(i) Net Assets Held for Sale/Distribution	The Company			
	2019 N'000	2018 N'000	Shareholding 2019	% 2018
<i>UNICO CPFA Limited</i> 130,005,000 ordinary shares of N1 each	130,000	130,000	86.67	86.67
<i>UACN Property Development Company Plc</i> 1,667,187,500 ordinary shares of 50k each	1,750,547	-	64.16	64.16
	1,880,547	130,000		

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)
Assets held for sale	(17,729)	-
	30,000	40,000

The Group

This represents 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

Associate	The Group	
	2019 N'000	2018 N'000
UPDC's Investment in UPDC REIT	20,602,477	20,017,860
Assets held for sale	(20,602,477)	-
Transit Village Dev. Co. Ltd*	-	73,606
At 30 September	-	20,091,466

13.1 Investments in Associate

Investments in Associate above represents UPDC's investment in REIT as at 30 September 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 30 September 2019, the fair value of each unit holders' contribution in UPDC REIT is N4.90

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

	The Group	
	2019 N'000	2018 N'000
At 1 January	20,017,860	18,918,826
Share of profit (Note 13.3)	584,617	1,923,492
Dividend received	-	(824,458)
At 30 September	20,602,477	20,017,860

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)
Reclassification of First Restoration Dev. Co. Limited *	317,449	-
Share of loss of First Restoration Dev. Co. Limited	303	-
Assets held for sale	(391,358)	-
At 30 September	-	73,606

	The Group	
	2019 N'000	2018 N'000
13.3 Right of use assets		
At 1 January	-	-
Impact of IFRS 16	2,877,882	-
Charge for the period	(110,233)	-
At 30 September	2,767,650	-

	The Group	
	2019 N'000	2018 N'000
13.4 Lease Liability		
Current	18,519	-
Non-current	1,506,421	-
	1,524,940	-

14. Inventories

	The Group	
	2019 N'000	2018 N'000
Raw materials and consumables	11,640,720	18,829,760
Technical stocks and spares	1,721,556	1,878,575
Properties under construction (Note 15)	-	8,275,382
Finished goods and goods for resale	2,671,587	1,541,918
	16,033,863	30,525,636

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

	The Group	
	2019 N'000	2018 N'000
Cost/Valuation		
Balance 1 January	8,275,382	11,523,468
Additions	77,371	410,123
Disposals	(1,208,190)	(1,502,307)
Transfer to Investment Properties	-	(140,000)
Reclassifications	-	(698,286)
Write down of VMP3B, Parkview & Awoyaya Land	-	(1,317,616)
Assets held for sale	(7,144,563)	-
Balance 30 September	-	8,275,382

16. Trade and other receivables

	The Group	
	2019 N'000	2018 N'000
Receivables due within one year		
Trade receivables	4,177,624	4,085,850
Less: allowance for impairment of trade receivables	(1,314,141)	(1,693,208)
Net trade receivables	2,863,482	2,392,642
Receivables from related companies - Note 25(c)	-	3,230,152
Allowance for expected credit losses on group companies	(256,183)	(442,457)
Other receivables	17,729,436	2,480,873
Advance payments	243,581	796,497
WHT receivable	798,736	664,600
Prepayments - staff grants	227,899	265,992
Prepayments- Other	562,308	836,393
	22,160,259	10,233,691

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	790,206	1,102,385
Prepayments - Non-current	15,458	8,706
Total prepayments	805,664	1,111,091

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	(379,067)	263,890
At 30 September	1,314,142	1,693,208

17. Cash and cash equivalents

	The Group	
	2019 N'000	2018 N'000
Cash at bank and in hand	1,660,906	1,958,000
Short-term deposits	18,911,973	28,372,476
Expected credit losses on short term deposit	(61,176)	(55,226)
Cash and short-term deposits	20,511,703	30,275,249

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 September 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	20,511,703	30,275,249
Bank Overdrafts (Note 18)	-	-
Balances per statement of cash flow	20,511,703	30,275,249

18. Borrowings

	The Group	
	2019 N'000	2018 N'000
Current borrowings		
Overdrafts due within one year	-	-
Commercial papers due within one year	2,751,775	19,671,568
	2,751,775	19,671,568
Non-current borrowings		
Loans due after one year (i)	2,130,000	4,500,793
Total borrowings	4,881,775	24,172,361

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group	
	2019 N'000	2018 N'000
Within one year	2,751,775	19,671,568
Between one to two years	2,130,000	4,500,793
	4,881,775	24,172,361

(i) Commercial papers 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	May-19	Equitable mortgage
Coronation Merchant Bank	19.5%	-	341,035	May-19	Equitable mortgage
Union Bank of Nigeria Plc	8.0%	1,000,000	1,500,000	Oct-19	No security
FSDH Merchant Bank Ltd	16.0%	-	2,174,916	May-19	No security
Sterling Bank Plc - Agric Loan	9.0%	1,751,775	379,712	Dec-19	No security
First Bank of Nigeria Ltd	16.0%	-	1,322,696	Jun-19	No security
Issued CP	14.4%	-	13,709,348	Sep-19	Equitable mortgage
		2,751,775	19,671,568		

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	
Facility				
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	17%	2,130,000	245,040	July, 2020
		2,130,000	245,040	
Term Loan:				
UPDC 5-Year Bond	16%	-	4,255,753	May, 2023
		2,130,000	4,500,793	

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19. Trade and other payables

	The Group	
	2019 N'000	2018 N'000
Trade payables	1,918,008	6,843,729
Amount owed to related companies (Note 25d)	-	32,359
Provision for employee leave	3,370	14,485
Other payables	1,578,274	3,444,840
WHT payable	79,579	122,668
VAT payable	168,845	328,853
PAYE payable	6,812	4,711
Advance from customers	612,701	1,267,324
Accruals	1,073,026	3,378,727
Total	5,440,614	15,437,697

Terms and conditions of the above financial liabilities

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

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

	The Group	
	2019 N'000	2018 N'000
At 1 January	213,312	216,654
Deferred during the period	191,702	383,887
Released to the statement of profit or loss	(237,206)	(387,229)
Assets held for sale	(79,036)	-
At 30 September	88,772	213,312
Current	88,772	211,736
Non-current	-	1,577
	88,772	213,313

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

	The Group	
	2019 N'000	2018 N'000
As at 1 January	4,899,963	4,655,045
Dividend declared	1,844,029	1,872,843
Dividend paid during the year	(1,921,724)	(1,681,095)
Statute barred unclaimed dividend written back	(206,342)	(149,445)
Unclaimed dividend refunded	-	202,615
At 30 September	4,615,926	4,899,963

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22. Provisions

The Group	Contingent Liabilities N'000	Legal claim N'000	Decommissioning liability N'000	Total N'000
At 1 January 2019	3,000	90,085	10,874	103,959
Unwinding of discount	-	-	-	-
30 September 2019	3,000	90,085	10,874	103,959
Current	3,000	90,085	-	93,085
Non-current	-	-	10,874	10,874
At 1 January 2018	3,000	89,456	17,223	109,679
Unwinding of discount	-	-	3,439	3,439
Derecognised on payment	-	-	(9,788)	(9,788)
Exchange difference arising from litigation	-	629	-	629
31 December 2018	3,000	90,085	10,874	103,959
Current	3,000	90,085	-	93,085
Non-current	-	-	10,874	10,874

Contingent liabilities

The group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, adequate provision for any liability has been made in these financial statements.

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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23. Share Capital

Group and Company

	2019		2018	
	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	2,881,296	1,440,648
Total called up share capital	2,881,296	1,440,648	2,881,296	1,440,648
Movements during the period:	Group and Company			
	Number of shares 000	Ordinary shares =N='000		
At 31 December 2018	2,881,296	1,440,648		
Capitalised during the period	-	-		
At 30 September 2019	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).

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
Profit before tax from continuing operations	6,552,136	5,012,852
Loss before tax from discontinued operations	(17,629,820)	(4,613,885)
Adjustment for net finance (income)/costs	(1,917,313)	(1,840,955)
Operating profit	(12,994,998)	(1,441,988)
Amortisation of intangible assets	79,207	100,100
Depreciation charge on PPE	1,336,537	1,561,198
Depreciation charge on leases	110,233	-
Effects of exchange rate changes	(1,456)	-
Impairment charges on PPE	179,612	-
Profit on sale of financial assets	-	(1,591)
Profit on sale of tangible PPE	(27,180)	(13,383)
Profit on sale of Investment Properties	(631,286)	(12,943)
Operating cash flows before movements in working capital	(11,949,331)	191,393
Movements in working capital:		
Changes in inventories	14,491,774	3,960,238
Changes in trade and other receivables and prepayments	(11,942,320)	694,532
Changes in trade and other payables	(8,472,356)	3,921,262
Net cash from/(used in) operations - continuing operations	(17,872,437)	8,767,425
Changes in inventories	(1,159,635)	(13,411)
Changes in trade and other receivables and prepayments	(550,251)	(46,595)
Changes in trade and other payables	14,216,548	29,982
Net cash from/(used in) operations - discontinued operations	12,506,662	(30,024)
Net cash from/(used in) operations	(5,365,775)	8,737,400

UAC of Nigeria Plc
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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) **N377 million** (September 2018: **N327 million**).

This has been included in the revenue of the Company.

	Company	
	2019 N'000	2018 N'000
UACN Property Development Co. Plc	17,070	17,076
Grand Cereals Limited	203,890	180,959
Chemical & Allied Products Plc	64,955	54,510
Portland Paints & Products Plc	20,133	19,752
Livestock Feeds Plc	70,453	55,041
	376,502	327,337

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

	Company	
	2019 N'000	2018 N'000
Receivable:		
UACN Property Development Co. Plc	-	1,426,131
Chemical & Allied Products Plc	23,892	23,071
Grand Cereals Limited	124,218	3,168,457
UNICO CPFA Ltd	-204	3,121
UAC Restaurants Limited	13,178	6,905
Portland Paints Plc	102,720	87,207
Livestock Feeds Plc	33,337	17,011
MDS Logistics Ltd	33,444	7,936
UAC Foods Ltd	10,308	55,327
	340,893	4,795,165

All trading balances will be settled in cash.

(c) Receivables from related companies

	Group	
	2019 N'000	2018 N'000
UPDC Metrocity Limited	-	1,681,460
First Restoration Dev. Co. Limited	-	360,084
Calabar Golf Estate Limited	-	237,055
Imani and Sons	-	496,734
UPDC REIT	-	12,363
	-	2,787,695

There were no allowance for doubtful debt relating to related party receivables as at 30 June 2019 (2018: nil) and no charges to the profit or loss in respect of doubtful related party receivables.

(d) Amount owed to related companies

	Group	
	2019 N'000	2018 N'000
James Pinnock current account	-	32,359
	-	32,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Disposal group held for sale and discontinued operations

Disposal group held for distribution to owners

UPDC PLC

On July 4 2019, The Board of UACN approved that subject to the approval of the Shareholders and the appropriate regulatory authorities, a proposed scheme of arrangement be effected by the transfer of the ordinary shares held by the Company in UACN Property Development Company Plc ("UPDC") to the Shareholders in proportion to their respective shareholding as reflected in the register of members and on such terms and conditions as the Board deems fit (the "Scheme"). In line with IFRS 5, UPDC has subsequently been classified as 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.

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

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 Akintola 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 and cash proceeds received in May 2019.

The results from discontinued operations which have been included in the 2019 consolidated income statement are as follows:

	N'000			
Cash consideration		295,863		
*Carrying value of investment		-		
Impairment of receivables		(298)		
Profit on disposal of discontinued operations		295,565		
<i>*Carrying value of investment in WSWNL of N46m was previously impaired in 2017.</i>				
Analysis of the results of the disposal group held for sale and distribution to owners is as follows:				
	UPDC 30-Sep-19 N'000	UNICO 30-Sep-19 N'000	WSWNL 30-Sep-19 N'000	TOTAL 30-Sep-19 N'000
Assets				
Non-current assets:				
Property, plant and equipment	32,631	2,920	-	35,551
Intangible assets	17,322	-	-	17,322
Investment properties	2,544,300	-	-	2,544,300
Investments in joint ventures	391,358	-	-	391,358
Equity instrument at fair value through other comprehensive income	17,729	-	-	17,729
Deferred tax asset	-	945	-	945
	3,003,540	3,865	-	54,018
Current assets				
Inventories	7,154,295	-	-	7,154,295
Trade and other receivables	4,415,484	-	-	4,415,484
Statutory Reserve Fund Account	-	66,096	-	66,096
Held to maturity- Treasury bills	-	184,266	-	184,266
Cash and short-term deposits	768,711	42,256	-	810,967
	12,338,490	292,618	-	12,631,108
Assets of disposal group classified as held for sale/ distribution to owners - UHL				
	16,361,004	-	-	12,685,125
Total	31,703,034	296,482	-	25,370,250
Liabilities				
Non-current liabilities				
Borrowings	4,262,584	-	-	4,262,584
Deferred taxation liabilities	72,537	-	-	72,537
Deferred revenue	768	-	-	768
	4,335,889	-	-	4,335,889
Current liabilities				
Trade and other payables	21,755,937	23,871	-	21,779,808
Current income tax liabilities	934,347	8,004	-	942,351
Interest bearing Loans and Borrowings	7,155	-	-	7,155
Dividend Payable	339,920	-	-	339,920
Deferred revenue	37,727	-	-	37,727
	23,075,086	31,876	-	23,106,962
Liabilities of disposal group classified as held for sale/distribution to owners - UHL				
	888,540	-	-	888,540
Total	28,299,515	31,876	-	28,331,391

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

	UPDC 30-Sep-19 N'000	UNICO 30-Sep-19 N'000	WSWNL 30-Sep-19 N'000	TOTAL 30-Sep-19 N'000	UPDC 30-Sep-18 N'000	UNICO 30-Sep-18 N'000	TOTAL 30-Sep-18 N'000
Revenue	2,876,048	-	-	2,876,048	2,995,383	106,396	3,101,779
Cost of sales	(2,432,081)	-	-	(2,432,081)	(2,715,941)	-	(2,715,941)
Gross profit	443,967	-	-	443,967	279,442	106,396	385,838
Other income/(losses)	(96,906)	-	-	(96,906)	(88,581)	6,475	(82,106)
Selling and distribution expenses	(125,015)	-	-	(125,015)	(136,461)	-	(136,461)
Administrative expenses	(751,078)	-	-	(751,078)	(665,156)	(106,255)	(771,412)
Operating profit	(520,032)	-	-	(520,032)	(610,757)	6,616	(604,141)
Finance income	3,611	-	-	3,611	20,972	28,908	49,880
Finance cost	(2,212,251)	-	-	(2,212,251)	(3,522,315)	-	(3,522,315)
Share of profit of associates and Joint Ventures	584,920	-	-	584,920	447,339	-	447,339
Loss before impairment	(2,152,751)	-	-	(2,152,751)	(3,664,760)	35,524	(3,629,236)
Impairment/(Reversal of Impairment) of receivable in JVs	185,927	-	-	185,927	(984,649)	-	(984,649)
Impairment of Investment in Associates	(12,561,646)	-	-	(12,561,646)	-	-	-
Loss arising from fair value adjustments of investment in UPDC	(3,101,350)	-	-	(3,101,350)	-	-	-
(Loss)/Profit before tax from discontinued operations	(17,629,820)	-	-	(17,629,820)	(4,649,400)	35,524	(4,613,885)
Tax expense:							
Related to pre-tax profit/(loss) from the ordinary activities for the period	(122,918)	-	-	(122,918)	21,600	(11,258)	10,342
Profit on disposal of Warm Spring Waters Nigeria Ltd	-	-	295,565	295,565	-	-	-
(Loss)/profit from discontinued operations	(17,752,738)	-	295,565	(17,457,173)	(4,627,810)	24,267	(4,603,543)

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:

	UPDC 30-Sep-19 N'000	UNICO 30-Sep-19 N'000	WSWNL 30-Sep-19 N'000	UPDC 30-Sep-18 N'000	UNICO 30-Sep-18 N'000	WSWNL 30-Sep-18 N'000
Operating	15,145,614	36,388	-	7,621	8,227	-
Investing	1,616,440	22,660	-	(20,016)	96,588	-
Financing	(16,500,735)	(37,500)	-	(16,667)	(37,500)	-
Net cash (outflows)/inflows	261,329	21,547	-	(38,062)	67,315	-