



# **UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018**

**uac of nigeria plc** RC341

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

**UAC of Nigeria Plc**  
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**for the period ended 30 June 2018**

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

	Notes	The Group			
		3 months to June 2018 N'000	6 months to June 2018 N'000	3 months to June 2017 N'000	6 months to June 2017 N'000
<b>Continuing operations</b>					
Revenue	3	18,670,126	36,982,103	22,953,186	47,337,317
Cost of sales		(14,670,878)	(29,417,347)	(19,184,932)	(39,563,735)
<b>Gross profit</b>		<b>3,999,247</b>	<b>7,564,756</b>	<b>3,768,254</b>	<b>7,773,582</b>
Other operating income	4	531,178	811,290	1,164,642	1,342,417
Selling and distribution expenses	5	(1,401,403)	(2,443,071)	(1,229,408)	(2,007,099)
Administrative expenses	5	(1,637,652)	(3,211,338)	(1,577,595)	(3,086,634)
Other operating losses	4(i)	(3,500)	(3,500)	(108,841)	(112,210)
<b>Operating profit</b>		<b>1,487,870</b>	<b>2,718,138</b>	<b>2,017,053</b>	<b>3,910,057</b>
Finance income	6	632,499	1,335,141	447,643	998,012
Finance cost	6	(1,262,952)	(2,412,082)	(1,722,855)	(3,507,061)
Net finance (cost) / income		(630,453)	(1,076,941)	(1,275,213)	(2,509,049)
Share of profit of associates and joint venture using the equity method	13.3	271,332	461,116	143,604	429,678
<b>Profit before tax</b>		<b>1,128,750</b>	<b>2,102,313</b>	<b>885,444</b>	<b>1,830,686</b>
Income Tax Expense		(248,742)	(513,347)	(211,751)	(435,713)
Profit after tax for the period from continuing operations		880,008	1,588,966	673,693	1,394,973
<b>Discontinued operations</b>					
Loss after tax for the year from discontinued operations	27	(112,152)	(222,985)	(83,925)	(200,227)
<b>Profit for the period</b>		<b>767,856</b>	<b>1,365,981</b>	<b>589,767</b>	<b>1,194,747</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		413,557	735,699	485,896	984,325
Non controlling interests		354,299	630,282	103,871	210,421
		<b>767,856</b>	<b>1,365,981</b>	<b>589,767</b>	<b>1,194,747</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		413,557	735,699	485,900	984,332
Non controlling interests		354,299	630,282	103,756	210,414
		<b>767,856</b>	<b>1,365,981</b>	<b>589,656</b>	<b>1,194,747</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	20	33	30	62
From discontinued operations	7	(4)	(8)	(4)	(10)
From profit for the period		16	26	25	51
<b>Dilluted Earnings Per Share</b>					
From continuing operations	7	20	33	30	62
From discontinued operations	7	(4)	(8)	(4)	(10)
From profit for the period		16	26	25	51

For purpose of proper comparison, comparative figures of H1 2017 have been adjusted to align with 2017 year-end audit treatment where UNICO CPA, UPDC Hotels Ltd and Warm Spring Waters Ltd have been classified as held for sale in line with IFRS 5.

UAC of Nigeria Plc

Unaudited Consolidated Statement of Financial Position  
as at 30 June 2018

	Notes	The Group	
		30 Jun 18 N'000	31 Dec 17 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	21,145,626	21,537,773
Intangible assets and goodwill	9	1,542,518	1,606,023
Investment property	10	12,952,713	13,486,037
Investments in associates and joint ventures	13	19,570,737	19,109,621
Available-for-sale financial assets	12	11,001	26,199
Prepayment	16	10,223	3,245
Deferred tax asset		711,900	711,900
		55,944,718	56,480,798
<b>Current assets</b>			
Inventories	14	27,963,571	30,391,954
Trade and other receivables	16	16,413,496	16,358,997
Cash and Cash equivalents	17	25,215,910	14,125,974
		69,592,978	60,876,926
<b>Assets of disposal group classified as held for sale/distribution to owners</b>			
	27	13,013,759	13,259,409
<b>Total assets</b>		<b>138,551,454</b>	<b>130,617,133</b>
<b>Equity and Liabilities</b>			
Ordinary share capital	24	1,440,648	960,432
Share premium	24	18,509,120	3,934,536
Contingency reserve	24	28,575	28,575
Available-for-sale reserve		-	(1,990)
Retained earnings		45,959,140	46,827,439
<b>Equity attributable to equity holders of the Company</b>		<b>65,937,483</b>	<b>51,748,993</b>
<b>Non controlling interests</b>		<b>20,773,530</b>	<b>21,377,429</b>
<b>Total equity</b>		<b>86,711,013</b>	<b>73,126,422</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	18	4,911,374	1,329,037
Deferred tax liabilities		4,971,056	4,890,082
Deferred revenue	21	3,123	3,192
Provisions	23	16,352	17,223
		9,901,904	6,239,534
<b>Current liabilities</b>			
Trade and other payables	19	13,589,895	16,238,983
Current income tax liabilities		4,693,640	5,377,083
Bank overdrafts and current portion of borrowings	18	17,652,443	23,780,410
Dividend payable	22	4,697,347	4,655,045
Government grant	20	3,112	9,226
Deferred revenue	21	287,763	213,463
Provisions	23	92,456	92,456
		41,016,656	50,366,665
<b>Liabilities of disposal group classified as held for sale/distribution to owners</b>			
	27	921,880	884,513
<b>Total liabilities</b>		<b>51,840,441</b>	<b>57,490,711</b>
<b>Total equity and liabilities</b>		<b>138,551,454</b>	<b>130,617,133</b>

The financial statements and the notes on pages 5 to 20 were approved and authorised before issue by the board of directors on 31 July 2018 and were signed on its behalf by:



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



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



Mrs. Adeniyun Taiwo  
CFO  
FRC/2013/ICAN/0000000723

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

UAC of Nigeria Plc  
 Unaudited Consolidated Statement of Changes in Equity  
 for the period ended 30 June 2018

<b>The Group</b>								
	<b>Attributable to owners of the Company</b>						<b>Non controlling Interest N'000</b>	<b>Total N'000</b>
	<b>Share Capital N'000</b>	<b>Share Premium N'000</b>	<b>Contingency reserve N'000</b>	<b>Available for sale Reserve N'000</b>	<b>Retained Earnings N'000</b>	<b>Total N'000</b>		
<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	-	-	-	-	735,699	735,699	630,282	1,365,981
<b>Transactions with non-controlling interests</b>								
Acquisition of non-controlling interests - Grand Cereals Limited and CAP Plc	-	-	-	-	270,834	270,834	(270,834)	-
<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)	(963,346)	(2,836,189)
<b>Balance at 30 June 2018</b>	<b>1,440,648</b>	<b>18,509,120</b>	<b>28,575</b>	<b>-</b>	<b>45,959,140</b>	<b>65,937,483</b>	<b>20,773,530</b>	<b>86,711,013</b>

<b>The Group</b>								
	<b>Attributable to owners of the Company</b>						<b>Non controlling Interest N'000</b>	<b>Total N'000</b>
	<b>Share Capital N'000</b>	<b>Share Premium N'000</b>	<b>Contingency reserve N'000</b>	<b>Available for sale Reserve N'000</b>	<b>Retained Earnings N'000</b>	<b>Total N'000</b>		
<b>Balance at 1 January 2017</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(5,561)</b>	<b>41,500,304</b>	<b>46,418,286</b>	<b>30,047,253</b>	<b>76,465,540</b>
Profit and loss	-	-	-	-	984,332	984,332	210,415	1,194,747
<b>Transactions with Equity holders</b>								
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(1,649,228)	(3,570,092)
<b>Balance at 30 June 2017</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(5,561)</b>	<b>40,563,772</b>	<b>45,481,754</b>	<b>28,608,440</b>	<b>74,090,194</b>

UAC of Nigeria Plc

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

	Notes	The Group	
		30 Jun 18 N'000	30 Jun 17 N'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	25	(2,555,811)	5,255,854
Corporate tax paid		(1,015,076)	(886,322)
VAT paid		(393,850)	(101,879)
Interest received		1,335,141	998,012
Interest paid		(2,412,082)	(3,505,807)
<b>Net cash flow generated from/(used in) operating activities</b>		<b>(5,041,677)</b>	<b>1,759,859</b>
<b>Cash flows from investing activities</b>			
Purchase of Intangible assets		(5,119)	(83,980)
Purchase of property, plant and equipment		(670,318)	(495,994)
Proceeds from sale of property, plant and equipment		65,673	63,740
Purchase of investment properties		(1,094)	(126,482)
Proceeds from sale of investment properties		712,321	1,000,902
Proceeds from disposal of financial asset		16,789	-
<b>Net cash generated from investing activities</b>		<b>118,251</b>	<b>358,186</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non controlling interests		(963,346)	(1,649,228)
Dividends paid to Company shareholders		(1,830,540)	(1,791,549)
Proceeds from borrowings		3,321,365	170,179
Proceeds from rights issue		21,113,352	-
Recovery of excess bank charges		-	264,435
Rights issue expenses		(312,115)	-
Repayment of borrowings		(2,669,734)	(1,379,470)
<b>Net cash flow used in financing activities</b>		<b>18,658,982</b>	<b>(4,385,634)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>13,735,555</b>	<b>(2,267,589)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>11,140,572</b>	<b>4,895,948</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	<b>17(i)</b>	<b>24,876,127</b>	<b>2,628,359</b>

# UAC of Nigeria Plc

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

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

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

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

#### 2.2 Accounting Policies

The accounting policies adopted are consistent with those for the year ended 31 December 2017.

#### 2.3 Estimates

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

#### 2.4 Financial Risk Management

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

This interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2017. There have been no changes in the risk management structure since year end or in any risk management policy.

### 3. Segment Analysis

#### The Group

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

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

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

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

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

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

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

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

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

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

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

	Animal Feeds	Paints	Packaged Food	QSR	Logistics	Real Estate	Others	Total
30 June 2018	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	19,599,807	5,273,112	8,387,477	611,006	3,019,349	1,200,109	318,802	<b>38,409,663</b>
Intergroup revenue	(638,634)	(11,276)	-42,242	-	(462,664)	(43,811)	(228,933)	<b>(1,427,560)</b>
Revenue to third parties	18,961,173	5,261,835	8,345,235	611,006	2,556,685	1,156,298	89,870	<b>36,982,103</b>
Operating profit	651,074	1,308,991	603,394	3,738	530,624	227,742	(607,426)	<b>2,718,137</b>
Profit before tax	(72,780)	1,478,235	851,066	6,414	575,000	(1,525,025)	789,403	<b>2,102,312</b>
(Loss)/profit after tax for the year from discontinued operations	-	-	-	-	-	(227,747)	4,762	<b>(222,985)</b>
Property, plant and equipment	11,941,741	1,568,687	3,205,627	263,956	3,434,005	60,590	671,020	<b>21,145,626</b>
Net assets	17,001,795	3,576,519	6,694,087	403,072	4,824,935	31,866,822	22,343,783	<b>86,711,013</b>

	Animal Feeds	Paints	Packaged Food	QSR	Logistics	Real Estate	Other	Total
30 June 2017	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	31,338,794	4,524,112	7,103,332	605,400	2,511,886	2,225,557	452,971	<b>48,762,053</b>
Intergroup revenue	(606,343)	(11,476)	(6,078)	-	(366,085)	(65,370)	(369,384)	<b>(1,424,735)</b>
Revenue to third parties	30,732,452	4,512,636	7,097,254	605,400	2,145,801	2,160,187	83,588	<b>47,337,317</b>
Operating profit/(loss)	1,819,454	936,548	466,193	(7,364)	340,467	459,341	(104,582)	<b>3,910,057</b>
Profit before tax	699,170	1,042,006	653,072	(4,474)	447,771	(1,863,892)	857,033	<b>1,830,686</b>
(Loss)/profit after tax for the year from discontinued operations	-	-	(48,753)	-	-	(156,185)	4,711	<b>(200,227)</b>
Property, plant and equipment	12,824,618	1,498,213	3,431,985	323,582	3,618,278	12,074,720	726,762	<b>34,498,159</b>
Net assets	11,690,081	3,138,896	5,655,969	399,678	4,700,878	32,000,174	16,504,477	<b>74,090,154</b>

#### Entity wide information

Analysis of revenue by category:

Sale of goods  
Revenue from services

30 June 2018	30 June 2017
N'000	N'000
34,335,548	45,107,929
2,646,555	2,229,389
<b>36,982,103</b>	<b>47,337,317</b>

Analysis of revenue by geographical location:

Nigeria  
Ivory Coast

30 June 2018	30 June 2017
N'000	N'000
36,982,103	47,323,978
-	13,339
<b>36,982,103</b>	<b>47,337,317</b>

#### Concentration risk

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



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

**4. Other operating income**

	<b>The Group</b>	
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>N'000</b>	<b>N'000</b>
Profit on sales of Property, Plant and Equipment	18,138	8,958
Profit on sales of Investment Property	24,496	481,433
Profit on sales of financial assets	1,591	-
Government grant	139,922	30,627
Recovery from property sold	310,000	-
Recovery of excess bank charges	-	264,435
Write back of statute barred unclaimed dividend	-	278,996
Other income*	317,143	277,968
<b>Total other operating income</b>	<b>811,290</b>	<b>1,342,417</b>

**\*Other income**

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

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

	<b>The Group</b>	
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>N'000</b>	<b>N'000</b>
Loss on sales of Property, Plant and Equipment	-	(1,603)
Losses on completed projects*	(3,500)	(110,606)
<b>Total other operating losses</b>	<b>(3,500)</b>	<b>(112,210)</b>

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

	<b>The Group</b>	
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>N'000</b>	<b>N'000</b>
Changes in inventories of finished goods and work in progress	23,511,907	33,311,917
Personnel expenses	4,078,037	3,778,148
Depreciation	1,029,381	1,029,824
Amortisation of intangibles	68,624	81,646
(Recovery from)/allowance for receivables impairment	(17,588)	162,503
Royalty fees	76,173	57,542
Rents & Rates	471,938	468,909
Electricity & power	952,536	984,724
Vehicles repairs, maintenance & fueling	413,452	405,187
Other repairs & maintenance	448,278	441,436
Auditors' remuneration	83,919	83,919
Information technology charge	186,970	173,106
Legal expenses	49,624	15,624
Donations & Subscriptions	43,035	54,478
Insurance	87,547	106,555
Distribution expenses	1,033,666	994,444
Marketing, Advertising & Communication	379,003	338,070
Sundry office expenses	2,175,254	2,169,436
	<b>35,071,755</b>	<b>44,657,468</b>

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

<i>Analysed as:</i>		
Cost of sales	29,417,347	39,563,735
Selling and distribution expenses	2,443,071	2,007,099
Administrative expenses	3,211,338	3,086,634
	<b>35,071,755</b>	<b>44,657,468</b>

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

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

	<b>The Group</b>	
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>N'000</b>	<b>N'000</b>
Interest income on short-term bank deposits	1,335,141	998,012
<b>Finance Income</b>	<b>1,335,141</b>	<b>998,012</b>
Interest on bank loans	2,363,215	3,266,042
Interest on bank overdraft	48,867	241,018
<b>Finance Costs</b>	<b>2,412,082</b>	<b>3,507,061</b>
<b>Net finance (cost) / income</b>	<b>(1,076,941)</b>	<b>(2,509,049)</b>

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

**7. Earnings Per Share**

*(a) Basic*

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

	<b>The Group</b>	
	<b>2018</b>	2017
	<b>N'000</b>	N'000
<b>Profit attributable to ordinary equity shareholders:</b>		
Profit from continuing operations	958,684	1,184,552
Profit from discontinued operations	(222,985)	(200,227)
<b>Profit for the period</b>	<b>735,699</b>	<b>984,325</b>
<b>Basic earnings per share</b>		
From continuing operations	33	62
From discontinued operations	(8)	(10)
From profit for the period	26	51
<b>Diluted earnings per share</b>		
From continuing operations	33	62
From discontinued operations	(8)	(10)
From profit for the period	26	51
	<b>The Company</b>	
	<b>2018</b>	2017
	Number	Number
Basic weighted average and Diluted weighted average number of shares (000)	<b>2,570,477</b>	1,920,864

*(b) Diluted*

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

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**8. Property, plant and equipment**

**The Group**

<b>Cost:</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Office Furniture</b>	<b>Capital Work in progress</b>	<b>Total</b>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2017	25,372,864	18,246,925	1,062,546	4,310,785	2,673,946	2,574,933	54,241,999
Additions	160,343	581,751	146,487	285,735	46,988	91,757	1,313,062
Disposals	(6,705)	(204,268)	(14,309)	(402,237)	(25,060)	(28,970)	(681,549)
Write Off	(192,034)	(19,931)	(28,048)	(24,695)	(25,346)	(3,975)	(294,028)
Reclassifications	310,184	94,369	400	10,465	(174)	(415,244)	-
Assets held for sales	(14,785,403)	(1,293,177)	(106,608)	(144,027)	(1,484,017)	(17,989)	(17,831,222)
<b>At 31 December 2017</b>	<b>10,859,249</b>	<b>17,405,669</b>	<b>1,060,467</b>	<b>4,036,027</b>	<b>1,186,337</b>	<b>2,200,512</b>	<b>36,748,262</b>
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	19,963	390,822	33,150	141,131	18,122	67,130	670,318
Disposals	-	(91,461)	(6,423)	(115,684)	(2,557)	-	(216,125)
Reclassifications	-	254,339	87	-	-	(254,426)	-
<b>At 30 June 2018</b>	<b>10,879,212</b>	<b>17,959,369</b>	<b>1,087,281</b>	<b>4,061,474</b>	<b>1,201,902</b>	<b>2,013,217</b>	<b>37,202,455</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2017	4,300,882	8,869,229	747,991	2,805,783	2,247,441	-	18,971,327
Charge for the year	642,307	1,298,763	152,816	346,367	68,563	-	2,508,817
Disposals	(4,348)	(190,951)	(13,918)	(345,538)	(23,457)	-	(578,212)
Write Off	(192,064)	(19,780)	(27,905)	(22,220)	(25,317)	-	(287,284)
Reclassifications	(315)	-	-	-	315	-	-
Assets held for sales	(2,930,964)	(984,979)	(99,058)	(120,240)	(1,268,917)	-	(5,404,159)
<b>At 31 December 2017</b>	<b>1,815,498</b>	<b>8,972,282</b>	<b>759,926</b>	<b>2,664,153</b>	<b>998,629</b>	<b>-</b>	<b>15,210,488</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	148,653	637,830	66,233	141,962	34,702	-	1,029,381
Disposals	-	(90,085)	(4,899)	(86,245)	(1,811)	-	(183,040)
<b>At 30 June 2018</b>	<b>1,964,151</b>	<b>9,520,027</b>	<b>821,260</b>	<b>2,719,870</b>	<b>1,031,520</b>	<b>-</b>	<b>16,056,829</b>
<b>Net book values:</b>							
<b>At 30 June 2018</b>	<b>8,915,061</b>	<b>8,439,342</b>	<b>266,020</b>	<b>1,341,604</b>	<b>170,382</b>	<b>2,013,217</b>	<b>21,145,626</b>
<b>At 31 December 2017</b>	<b>9,043,751</b>	<b>8,433,387</b>	<b>300,541</b>	<b>1,371,874</b>	<b>187,708</b>	<b>2,200,512</b>	<b>21,537,773</b>

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

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**9. Intangible assets and goodwill**

Cost	Group			Total N'000
	Goodwill N'000	Brands & Trade Marks N'000	Software N'000	
At 1 January 2017	548,747	1,070,185	1,113,175	2,732,108
Additions - externally acquired during the year	-	-	105,084	105,084
Assets held for sales	-	-	(60,047)	(60,047)
<b>At 31 December 2017</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,158,213</b>	<b>2,777,145</b>
At 1 January 2018	548,747	1,070,185	1,158,213	2,777,145
Additions - externally acquired during the year	-	-	5,119	5,119
<b>At 30 June 2018</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,163,332</b>	<b>2,782,264</b>
Accumulated amortisation and impairment				
At 1 January 2017	-	288,439	767,734	1,056,173
Amortisation for the year	-	-	160,262	160,262
Assets held for sales	-	-	(45,313)	(45,313)
<b>At 31 December 2017</b>	<b>-</b>	<b>288,439</b>	<b>882,683</b>	<b>1,171,123</b>
At 1 January 2018	-	288,439	882,683	1,171,123
Amortisation for the period	-	-	68,624	68,624
<b>At 30 June 2018</b>	<b>-</b>	<b>288,439</b>	<b>951,307</b>	<b>1,239,747</b>
Net book values				
<b>At 30 June 2018</b>	<b>548,747</b>	<b>781,746</b>	<b>212,025</b>	<b>1,542,518</b>
<b>At 31 December 2017</b>	<b>548,747</b>	<b>781,746</b>	<b>275,530</b>	<b>1,606,023</b>

**UAC of Nigeria Plc**  
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**10. Investment property**

Fair value	The Group		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
At 1 January 2017	720,735	19,149,499	19,870,234
Additions during the year	120,000	25,501	145,501
Disposals	-	(6,196,098)	(6,196,098)
Net gain from fair value adjustments on investment property	-	(333,601)	(333,601)
<b>At 31 December 2017</b>	<b>840,735</b>	<b>12,645,301</b>	<b>13,486,036</b>
At 1 January 2018	840,735	12,645,301	13,486,036
Additions during the period	-	1,094	1,094
Reclassification from property stocks held as inventories	140,000	-	140,000
Disposals	-	(674,417)	(674,417)
<b>At 30 June 2018</b>	<b>980,735</b>	<b>11,971,978</b>	<b>12,952,713</b>

Fair value of investment properties is categorised as follows:

	30-Jun-18	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
Internal valuation*		980,735	11,971,978	12,952,713
		980,735	11,971,978	12,952,713

Fair value of investment properties is categorised as follows:

	31-Dec-17	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation		840,735	12,645,301	13,486,036
		840,735	12,645,301	13,486,036

**\*Internal valuation**

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

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**11. Investments in subsidiaries**

**Company**

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

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	N'000	N'000	% ownership	% ownership
<b>Quoted shares:</b>				
<i>Chemical and Allied Products Plc</i>	494,684	114,461	51.58	50.18
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>	7,247,333	2,247,333	67.10	64.93
1,358,715,000 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>21,195,375</b>	<b>15,815,152</b>		

Investments in subsidiaries are measured at cost

	<b>The Company</b>	<b>2017</b>	<b>Shareholding</b>	<b>2017</b>
	2018	N'000	2018	2017
	N'000	N'000	2018	2017
<b>11(i) Net Asset Held for Sale - UNICO CPFA</b>				
<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. Available for Sale financial assets**

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

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

**\*Disposal of available-for-sale financial assets**

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

**The Group**

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

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

	<b>The Group</b>	
	<b>2018</b>	<b>2017</b>
	N'000	N'000
<b>Associate</b>		
UPDC's Investment in UPDC REIT	19,497,131	18,918,826
<b>Joint Ventures</b>		
First Festival Mall Limited	-	117,189
Transit Village Dev. Co. Ltd*	73,606	73,606
<b>At 30 June</b>	<b>19,570,737</b>	<b>19,109,621</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 30 June 2018. The associate as stated above have share capital consisting solely of ordinary shares, which are directly held by the group. The country of incorporation or registration is also their principal place of business.

The UPDC Real Estate Investment Trust (REIT) is a close-ended real estate investment trust which is listed on the Nigerian Stock Exchange. As at 30 June 2018, 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:

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

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

	The Group	
	2018 N'000	2017 N'000
Share of profit in REIT (Associate)*	578,305	642,858
Share of loss of First Festival Mall Limited (Joint Venture)**	(117,189)	(213,180)
<b>Total</b>	<b>461,116</b>	<b>429,678</b>

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

UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT) at a capital value of N26.7 billion listed on the Nigerian Stock Exchange (NSE) on 1 July, 2013. The REIT is a property fund backed by five (5) major investment properties located in Lagos, Abuja and Aba. The REIT's income comprises of rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets. UPDC held 61.5% of the fund at 30 June 2018. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the year ended 30 June 2018.

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

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

First Festival Mall reported a loss after tax of N260 million for the period ended 30 June 2018. The share of the Group of this based on UPDC's 45% share holding is N117 million.

### 14. Inventories

	The Group	
	2018 N'000	2017 N'000
Raw materials and consumables	13,253,832	15,078,757
Technical stocks and spares	1,914,086	1,640,851
Properties under construction (Note 15)	10,766,103	11,523,468
Finished goods and goods for resale	2,029,550	2,148,879
<b>Total</b>	<b>27,963,571</b>	<b>30,391,954</b>

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

### 15. Properties under construction included in inventories

Cost/Valuation	The Group	
	2018 N'000	2017 N'000
Balance 1 January	11,523,468	12,672,131
Additions	283,796	1,282,887
Disposals	(901,161)	(2,758,509)
Transfer to Investment Properties	(140,000)	-
Other Reclassifications	-	(355)
Write Back on Pinnock Sites & Services	-	410,263
Write down in cost of inventory arising from net realisable value being lower than cost	-	(82,948)
<b>Balance 30 June</b>	<b>10,766,103</b>	<b>11,523,468</b>

### 16. Trade and other receivables

Receivables due within one year	The Group	
	2018 N'000	2017 N'000
Trade receivables	5,576,175	4,444,237
Less: allowance for impairment of trade receivables	(1,411,730)	(1,429,318)
<b>Net trade receivables</b>	<b>4,164,445</b>	<b>3,014,919</b>
Receivables from related companies (Note 26)	6,771,137	6,928,259
Other receivables	717,767	1,590,219
Advance payments	2,378,504	2,553,985
WHT receivable	909,537	1,124,690
Prepayments - staff grants	367,783	253,607
Prepayments- Other	1,104,323	893,318
<b>Total</b>	<b>16,413,497</b>	<b>16,358,997</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	
	2018 N'000	2017 N'000
Prepayments - Current	1,472,106	1,146,925
Prepayments - Non-current	10,223	3,245
<b>Total prepayments</b>	<b>1,482,329</b>	<b>1,150,170</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	
	2018 N'000	2017 N'000
At 1 January	1,429,318	1,444,698
Recovery from receivables impairment	(17,588)	(15,379)
<b>At 30 June</b>	<b>1,411,730</b>	<b>1,429,318</b>



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**17. Cash and cash equivalents**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
Cash at bank and in hand	1,752,000	1,407,607
Short-term deposits	23,463,910	12,718,367
<b>Cash and short-term deposits</b>	<b>25,215,910</b>	<b>14,125,974</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 **N3.9b** which represents unclaimed dividends received from Africa Prudential Registrars as at June 2018.

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

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

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
Cash and short-term deposits	25,215,910	14,125,974
Bank Overdrafts (Note 18)	(339,784)	(2,985,402)
<b>Balances per statement of cash flow</b>	<b>24,876,127</b>	<b>11,140,572</b>

**18. Borrowings**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
<b>Current borrowings</b>		
Overdrafts due within one year	339,784	2,985,402
Commercial papers due within one year	17,312,659	20,795,008
	<b>17,652,443</b>	<b>23,780,410</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	<b>4,911,374</b>	<b>1,329,037</b>
<b>Total borrowings</b>	<b>22,563,816</b>	<b>25,109,447</b>

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
Within one year	17,652,443	23,780,410
Between one to two years	4,911,374	1,329,037
More than three years	-	-
	<b>22,563,816</b>	<b>25,109,447</b>

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

<b>Group</b>		<b>Amount due</b>	
		<b>2018</b> N'000	<b>2017</b> N'000
<b>Details of the loan maturities due after one year are as follows:</b>			
<b>Facility</b>	<b>Effective Interest Rate</b>		
Grand Cereals Ltd - Sterling Bank Plc and Stanbic IBTC Bank Plc	17%	556,374	662,370
		<b>556,374</b>	<b>662,370</b>
<b>Term Loan:</b>			
UPDC - First Securities Discount House	NIBOR + 3%	-	666,667
UPDC 5-Year Bond	16%	4,355,000	-
		<b>4,911,374</b>	<b>1,329,037</b>

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**19. Trade and other payables**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
Trade payables	5,181,338	6,884,745
Amount owed to related companies (Note 26)	879,392	1,195,130
Provision for employee leave	9,209	6,664
Other payables	1,643,866	2,554,663
WHT payable	135,602	255,061
VAT payable	373,467	494,533
PAYE payable	5,908	2,130
Advance from customers	670,607	774,439
Accruals	4,690,506	4,071,618
<b>Total</b>	<b>13,589,895</b>	<b>16,238,983</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 General Motors Nigeria Ltd (a former subsidiary of UACN Plc).

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

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

**20. Government grant**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
<b>At 1 January</b>	<b>9,226</b>	<b>235,866</b>
Amount received during the year	-	-
Released to the statement of profit or loss	(6,113)	(226,640)
<b>At 30 June</b>	<b>3,113</b>	<b>9,226</b>
Current	3,112	9,226
Non-current	-	-
	<u>3,112</u>	<u>9,226</u>

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

**21. Deferred revenue**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
<b>At 1 January</b>	<b>216,654</b>	<b>305,378</b>
Deferred during the period	341,281	595,035
Released to the statement of profit or loss	(267,050)	(683,759)
<b>At 30 June</b>	<b>290,885</b>	<b>216,654</b>
Current	287,763	213,463
Non-current	3,123	3,192
	<u>290,886</u>	<u>216,654</u>

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

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

**22. Dividend payable**

	<b>The Group</b>	
	<b>2018</b> N'000	<b>2017</b> N'000
As at 1 January	4,655,045	3,682,512
Dividend declared	1,872,843	1,920,864
Dividend paid during the year	(1,830,540)	(1,859,531)
Unclaimed dividend refunded	-	911,200
<b>At 30 June</b>	<b>4,697,348</b>	<b>4,655,045</b>

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**23. Provisions**

<b>The Group</b>	<b>Contingent Liabilities</b> N'000	<b>Legal claim</b> N'000	<b>Decommissioning liability</b> N'000	<b>Total</b> N'000
At 1 January 2018	3,000	89,455	17,223	109,678
Derecognised on payment	-	-	(871)	(871)
<b>30 June 2018</b>	<b>3,000</b>	<b>89,455</b>	<b>16,352</b>	<b>108,807</b>
Current	3,000	89,455	-	92,455
Non-current	-	-	16,352	16,352
At 1 January 2017	50,000	74,757	22,123	146,880
Unwinding of discount	-	-	1,254	1,254
Derecognised on payment	(47,000)	(17,981)	(6,154)	(71,135)
Provision in respect of rent of property at Iddo - Note 7(a)	-	25,000	-	25,000
Exchange difference arising on Persiana case - Note 7(a)	-	7,679	-	7,679
<b>31 December 2017</b>	<b>3,000</b>	<b>89,455</b>	<b>17,223</b>	<b>109,678</b>
Current	3,000	89,455	-	92,455
Non-current	-	-	17,223	17,223

**Contingent liabilities**

The contingent liability arose from the fair value of assets acquired, liabilities assumed and the non-controlling interest of Portland Paints Plc at the acquisition date. The contingent liability was a Garnishee order arising from legal claim. A judgement fees of N50 million was awarded by the lower court, but the Group challenged the judgement and it was reduced to N3 million on the 5th of July, 2017 by the court of appeal. The matter is now at the Supreme court for resolution.

**Legal claim**

*The legal claim comprises of the following:*

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

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

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

**Decommissioning liability**

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

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

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**24. Share Capital**

Group and Company

	2018		2017	
	Number 000	Amount N'000	Number 000	Amount N'000
<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	1,920,864	960,432
<b>Total called up share capital</b>	<b>2,881,296</b>	<b>1,440,648</b>	<b>1,920,864</b>	<b>960,432</b>

**Movements during the period:**

	Group and Company	
	Number of shares 000	Ordinary shares =N='000
<b>At 31 December 2017</b>	<b>1,920,864</b>	<b>960,432</b>
Capitalised during the period	960,432	480,216
<b>At 30 June 2018</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).

*Available for Sale Reserve*

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

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

	Group	
	2018 N'000	2017 N'000
<b>Profit before tax from continuing operations</b>	<b>2,102,313</b>	<b>1,830,686</b>
Loss before tax from discontinued operations	(220,776)	(195,847)
Adjustment for net finance (income)/costs	1,076,941	2,509,049
<b>Operating profit</b>	<b>2,958,478</b>	<b>4,143,888</b>
Amortisation of intangible assets	68,624	82,921
Share of associate and joint ventures' profit	(461,116)	(429,678)
Depreciation	1,029,381	1,231,368
Recovery of excess bank charges	-	(264,435)
Losses on completed projects	3,500	110,606
Profit on sale of financial assets	(1,591)	-
Profit on sale of tangible PPE	(18,138)	(8,965)
Loss on sale of tangible PPE	-	1,603
Profit on sale of Investment Properties	(24,496)	(481,433)
<b>Operating cash flows before movements in</b>	<b>3,554,641</b>	<b>4,385,876</b>
Movements in working capital:		
Inventories	2,441,794	5,274,955
Trade and other receivables	(632,805)	(8,004,161)
Trade and other payables	(7,896,803)	3,754,092
<b>Net cash from/(used in) operations - continuing operations</b>	<b>(2,533,173)</b>	<b>5,410,761</b>
Inventories	(13,411)	(31,485)
Trade and other receivables	(46,595)	(45,373)
Trade and other payables	37,368	(78,050)
<b>Net cash from/(used in) operations - discontinued operations</b>	<b>(22,638)</b>	<b>(154,907)</b>
<b>Net cash from/(used in) operations</b>	<b>(2,555,811)</b>	<b>5,255,854</b>

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**26. Related party transactions**

**The Company**

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

The following transactions were carried out with the subsidiaries:

*(a) Sales of goods and services*

The Company has commercial service agreements with its subsidiaries for support services. Income from commercial services fees( representing 0.75-1% of revenue of the subsidiaries) **N216 million** (2017: **N342 million**).

This has been included in the revenue of the Company.

	<b>Company</b>	
	<b>2018</b> <b>N'000</b>	<b>2017</b> <b>N'000</b>
UACN Property Development Co. Plc	10,730	18,639
Grand Cereals Limited	118,734	157,143
Chemical & Allied Products Plc	38,394	28,259
Warm Spring Waters Nigeria Limited	-	2,285
UAC Foods Ltd	-	60,597
UNICO Closed PFA Ltd	-	681
MDS Logistics Ltd	-	10,754
Portland Paints & Products Plc	14,326	9,017
Livestock Feeds Plc	33,634	49,542
UAC Restaurants Ltd	-	5,109
	<b>215,819</b>	<b>342,026</b>

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

	<b>Company</b>	
	<b>2018</b> <b>N'000</b>	<b>2017</b> <b>N'000</b>
<b>Receivable:</b>		
UACN Property Development Co. Plc	1,618,346	3,920,044
Chemical & Allied Products Plc	22,866	4,969
Grand Cereals Limited	3,764,991	3,124,939
UNICO CPFA Ltd	2,248	5,908
UAC Restaurants Limited	10,824	48,074
Portland Paints Plc	65,386	491,702
Livestock Feeds Plc	25,708	1,382,431
MDS Logistics Plc	6,450	35,096
UAC Foods Ltd	50,592	139,916
	<b>5,567,412</b>	<b>9,153,078</b>

All trading balances will be settled in cash.

	<b>Group</b>	
	<b>2018</b> <b>N'000</b>	<b>2017</b> <b>N'000</b>
<i>(c) Receivables from related companies</i>		
UPDC Metrocity Limited	2,317,756	2,417,530
First Festival Mall Limited	2,611,232	2,566,018
First Restoration Dev. Co. Limited	390,168	390,825
Calabar Golf Estate Limited	535,314	538,893
Pinnacle Apartment Development Limited	-	98,326
Imani and Sons	843,353	843,353
Galaxy Mall Current Account	73,314	73,314
	<b>6,771,137</b>	<b>6,928,259</b>

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

	<b>Group</b>	
	<b>2018</b> <b>N'000</b>	<b>2017</b> <b>N'000</b>
<i>(d) Amount owed to related companies</i>		
UPDC REIT	135,746	129,005
James Pinnock current account	712,916	1,066,125
Pinnacle Apartment Development Limited	30,730	-
	<b>879,392</b>	<b>1,195,130</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Disposal group held for sale and discontinued operations

**Disposal group held for sale**

**UPDC Hotels Ltd (UHL)**

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

**Disposal group held for distribution to owners**

**UNICO CPFA Limited (UNICO)**

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

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

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

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

	UHL 30-Jun-18 N'000	UNICO 30-Jun-18 N'000	WSWNL 30-Jun-18 N'000	TOTAL 30-Jun-18 N'000
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	11,690,467	4,227	606,150	12,300,844
Intangible assets	4,125	-	-	4,125
Deferred tax asset	-	945	-	945
	11,694,592	5,172	606,150	12,305,914
<b>Current assets</b>				
Inventories	153,439	-	25,403	178,842
Trade and other receivables	146,602	16,608	21,936	185,146
Statutory Reserve Fund Account	-	78,522	-	78,522
Held to maturity- Treasury bills	-	154,375	-	154,375
Cash and short-term deposits	82,205	24,985	3,769	110,959
	382,246	274,490	51,108	707,845
<b>Total</b>	<b>12,076,838</b>	<b>279,662</b>	<b>657,258</b>	<b>13,013,759</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	-	-	-	-
Deferred taxation liabilities	-	-	-	-
	-	-	-	-
<b>Current liabilities</b>				
Trade and other payables	707,729	43,491	151,329	902,550
Current income tax liabilities	-	2,211	17,120	19,331
	707,729	45,702	168,449	921,880
<b>Total</b>	<b>707,729</b>	<b>45,702</b>	<b>168,449</b>	<b>921,880</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 30-Jun-18 N'000	UNICO 30-Jun-18 N'000	WSWNL 30-Jun-18 N'000	TOTAL 30-Jun-18 N'000	UHL 30-Jun-17 N'000	UNICO 30-Jun-17 N'000	WSWNL 30-Jun-17 N'000	TOTAL 30-Jun-17 N'000
Revenue	654,787	81,077	-	735,863	763,358	82,615	267,608	1,113,581
Cost of sales	(630,344)	-	-	(630,344)	(630,022)	-	(206,562)	(836,584)
Gross profit	24,442	81,077	-	105,519	133,336	82,615	61,046	276,998
Other income	1,542	3,437	-	4,979	7,346	3,099	144	10,589
Selling and distribution expenses	(40,639)	-	-	(40,639)	(47,205)	-	(67,930)	(115,136)
Administrative expenses	(213,092)	(92,266)	-	(305,359)	(249,662)	(93,046)	(39,111)	(381,819)
Operating profit	(227,747)	(7,752)	-	(235,499)	(156,185)	(7,332)	(45,851)	(209,368)
Finance income	-	14,724	-	14,724	-	14,331	-	14,331
Finance cost	-	-	-	-	-	-	(810)	(810)
(Loss)/Profit before tax from discontinued operations	(227,747)	6,971	-	(220,776)	(156,185)	6,999	(46,661)	(195,847)
Tax expense:								
Related to pre-tax profit/(loss) from the ordinary activities for the period	-	(2,209)	-	(2,209)	-	(2,288)	(2,092)	(4,380)
(Loss)/profit from discontinued operations	<b>(227,747)</b>	<b>4,762</b>	<b>-</b>	<b>(222,985)</b>	<b>(156,185)</b>	<b>4,711</b>	<b>(48,753)</b>	<b>(200,227)</b>

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

Cashflows from discontinued operations:

The net cash flows incurred are, as follows:

	UHL 30-Jun-18 N'000	UNICO 30-Jun-18 N'000	WSWNL 30-Jun-18 N'000	UHL 30-Jun-17 N'000	UNICO 30-Jun-17 N'000	WSWNL 30-Jun-17 N'000
Operating	5,860	13,250	-	43,422	219	6,745
Investing	(28,603)	107,049	-	(11,088)	(126,498)	(6,296)
Financing	(12,500)	(37,500)	-	(12,500)	(19,500)	(1,810)
<b>Net cash (outflows)/inflows</b>	<b>(35,242)</b>	<b>82,799</b>	<b>-</b>	<b>19,834</b>	<b>(145,779)</b>	<b>(1,361)</b>