



**UAC of Nigeria Plc  
Unaudited Financial Statements for the Period  
ended 30 June 2020**

**UAC of Nigeria Plc**  
**Unaudited Consolidated and Separate Financial Statements**  
**for the Period Ended 30 June 2020**

<b>Content</b>	<b>Page</b>
Unaudited consolidated financial statements	
Consolidated statement of comprehensive income	1
Consolidated statement of financial position	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Notes to the consolidated financial statements	5


**UAC of Nigeria Plc**  
**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the period ended 30 June 2020**


		The Group 3 months to June 2020	6 months to June 2020	The Group 3 months to June 2019 Restated N'000	6 months to June 2019 Restated N'000
	Notes	N'000	N'000		
<b>Continuing operations</b>					
Revenue	3	17,084,840	36,633,380	19,971,110	40,112,277
Cost of sales	4	(14,325,561)	(29,640,592)	(16,061,907)	(31,774,127)
<b>Gross profit</b>		<b>2,759,279</b>	<b>6,992,788</b>	<b>3,909,203</b>	<b>8,338,150</b>
Dividends Income		9,930	9,930	-	-
Other operating income	3	212,326	297,723	6,945	204,706
Other operating losses	3	(16,638)	(30,000)	116,381	-
Selling and distribution expenses	4	(1,342,936)	(2,957,769)	(1,289,018)	(2,678,577)
Administrative expenses	4	(1,922,245)	(3,484,636)	(1,413,867)	(2,812,016)
<b>Operating (loss)/profit</b>		<b>(300,284)</b>	<b>828,036</b>	<b>1,329,644</b>	<b>3,052,263</b>
Finance income	5	170,762	503,501	714,086	1,654,065
Finance cost	5	(132,406)	(366,845)	(274,375)	(536,599)
<b>Net finance income</b>		<b>38,356</b>	<b>136,656</b>	<b>439,711</b>	<b>1,117,466</b>
Share of profit of associates and joint venture using the equity method		(2,183)	68,945	-	-
<b>Loss/(profit) before tax</b>		<b>(264,111)</b>	<b>1,033,637</b>	<b>1,769,355</b>	<b>4,169,729</b>
Income Tax Expense	6	(297,908)	(819,818)	(472,142)	(907,286)
Profit after tax for the period from continuing operations		(562,019)	213,819	1,297,213	3,262,443
<b>Discontinued operations</b>					
Profit/(loss) after tax for the period from discontinued operations		(121,872)	944,258	301,261	(667,982)
<b>(Loss)/ profit for the period</b>		<b>(683,891)</b>	<b>1,158,077</b>	<b>1,598,474</b>	<b>2,594,461</b>
<b>Total comprehensive (loss)/income for the period net of tax</b>					
		<b>(683,891)</b>	<b>1,158,077</b>	<b>1,598,474</b>	<b>2,594,461</b>
<b>(Loss)/Profit attributable to:</b>					
Equity holders of the parent		(1,488,362)	932,679	1,114,271	1,772,885
Non controlling interests		804,472	225,398	484,201	821,576
		<b>(683,890)</b>	<b>1,158,077</b>	<b>1,598,472</b>	<b>2,594,461</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		(1,488,362)	932,679	1,114,271	1,772,885
Non controlling interests		804,472	225,398	484,201	821,576
		<b>(683,890)</b>	<b>1,158,077</b>	<b>1,598,472</b>	<b>2,594,461</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	6	(21)	(7)	26	70
From discontinued operations	6	(31)	39	13	(8)
From(loss)/profit for the period		(52)	32	39	62
<b>Diluted Earnings Per Share</b>					
From continuing operations	6	(21)	(7)	430,589	70
From discontinued operations	6	(31)	39	13	(8)
From(loss)/profit for the period		(52)	32	13,368	62


For purpose of proper comparison, comparative figures for the period ended 30 June 2019 have been adjusted to align with FY 2020 for change in designation of a new disposal group held for sale/ distribution in line with IFRS 5

**UAC of Nigeria Plc**  
**Unaudited Consolidated Statement of Financial Position**  
**as at 30 June 2020**

	Notes	The Group	
		30 June 2020	31 Dec 19
		N' 000	N' 000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	19,827,785	18,919,587
Intangible assets and goodwill	8	1,391,468	1,417,604
Investment property	9	2,400,729	2,400,336
Finance lease receivable		10,375	-
Right of use assets	19	851,797	1,116,407
Debt instrument at amortised cost	12	2,106,572	1,991,907
Equity instrument at fair value through other comprehensive income	10	28,771	28,771
Investment in associate	11	4,725,845	-
Prepayment	15	99,913	132,960
Deferred tax asset	18	11,619	11,619
		<b>31,454,874</b>	<b>26,019,191</b>
<b>Current assets</b>			
Inventories	14	13,323,829	16,290,212
Trade and other receivables	15	5,559,571	5,015,319
Cash and Cash equivalents	16	20,725,986	23,891,134
Refund asset	13	11,206	7,384
		<b>39,620,592</b>	<b>45,204,049</b>
Non-current asset held for sale		255,436	-
Assets of disposal group classified as held for sale/distribution to owners	26	26,474,789	36,372,022
<b>Total assets</b>		<b>97,805,691</b>	<b>107,595,262</b>
<b>Equity and Liabilities</b>			
Ordinary share capital		1,440,648	1,440,648
Share premium		18,083,473	18,451,844
Contingency reserve		69,571	69,571
Fair value/Available for sale reserve		27,770	27,770
Statutory reserve		91,923	91,923
Retained earnings		30,926,715	29,997,824
<b>Equity attributable to equity holders of the Company</b>		<b>50,640,100</b>	<b>50,079,580</b>
<b>Non controlling interests</b>		<b>8,445,674</b>	<b>10,461,832</b>
<b>Total equity</b>		<b>59,085,774</b>	<b>60,541,412</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	17	-	1,850,583
Deferred tax liabilities	18	4,150,461	4,150,461
Lease Liability	13	299,401	455,494
Contract liabilities	21	-	-
Provisions	23	7,387	7,387
		<b>4,457,249</b>	<b>6,463,925</b>
<b>Current liabilities</b>			
Trade and other payables	19	7,679,053	9,960,310
Contract liabilities	21	1,133,898	669,292
Current income tax liabilities	6	5,182,109	4,510,936
Bank overdrafts and current portion of borrowings	17	2,976,961	4,595,937
Dividend payable	22	5,573,956	5,517,803
Government grant	20	26,359	50,107
Lease liability	13	430,589	526,623
Provisions	23	93,448	95,948
Refund liabilities	13	13,368	8,093
		<b>23,109,741</b>	<b>25,935,049</b>
<b>Liabilities of disposal group classified as held for sale/distribution to owners</b>		<b>11,152,927</b>	<b>14,654,876</b>
<b>Total liabilities</b>		<b>38,719,917</b>	<b>47,053,850</b>
<b>Total equity and liabilities</b>		<b>97,805,691</b>	<b>107,595,262</b>

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

  
Folasope Aiyesimoju  
**Group Managing Director**  
FRC/2019/IODN/00000019806

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

UAC of Nigeria Plc  
 Unaudited Consolidated Statement of Changes in Equity  
 for the period ended 30 June 2020

		The Group							
		Attributable to owners of the Company							
Notes	Share	Share	Contingency	Fair	Revaluation	Retained	Total	Non controlling	Total
	Capital	Premium	Reserve	value/available for sale Reserve	Reserve	Earnings	N'000	Interest	N'000
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 January 2019</b>	<b>1,440,648</b>	<b>18,451,844</b>	<b>69,571</b>	<b>33,957</b>	<b>91,923</b>	<b>37,796,850</b>	<b>57,884,793</b>	<b>16,188,587</b>	<b>74,073,380</b>
Profit for the year	-	-	-	-	-	1,772,885	1,772,885	821,576	2,594,461
<b>Transactions with Equity holders</b>									
Dividends	-	-	-	-	-	(1,844,029)	(1,844,029)	(1,127,667)	(2,971,696)
<b>Balance at 30 June 2019</b>	<b>1,440,648</b>	<b>18,451,844</b>	<b>69,571</b>	<b>33,957</b>	<b>91,923</b>	<b>37,725,706</b>	<b>57,813,649</b>	<b>15,882,496</b>	<b>73,696,145</b>
<b>Balance at 1 January 2020</b>	<b>1,440,648</b>	<b>18,451,844</b>	<b>69,571</b>	<b>27,770</b>	<b>91,923</b>	<b>29,997,824</b>	<b>50,079,580</b>	<b>10,461,833</b>	<b>60,541,413</b>
Profit for the year	-	-	-	-	-	932,679	932,679	225,398	1,158,077
Right issue cost of UPDC Plc	24	(368,371)	-	-	-	-	(368,371)	-	(368,371)
<b>Transactions with Equity holders</b>									
Acquisition of shares from non-controlling interest	24	-	-	-	-	(3,788)	(3,788)	(7,595)	(11,383)
Dividends paid by subsidiaries	-	-	-	-	-	-	-	(136,015)	(136,015)
Elimination of Non-controlling interest after disposal of MDS	26	-	-	-	-	-	-	(2,283,839)	(2,283,839)
Right issue of UPDC subscribed	24	-	-	-	-	-	-	185,893	185,893
<b>Balance at 30 June 2020</b>	<b>1,440,648</b>	<b>18,083,473</b>	<b>69,571</b>	<b>27,770</b>	<b>91,923</b>	<b>30,926,715</b>	<b>50,640,100</b>	<b>8,445,674</b>	<b>59,085,774</b>

**UAC of Nigeria Plc**  
**Unaudited Consolidated Statement of Cash Flow**  
**for the period ended 30 June 2020**

		<b>The Group</b>	
	<b>Notes</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>N' 000</b>	<b>N'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	2,550,507	6,485,389
Corporate tax paid		(148,644)	(500,106)
<b>Net cash flow generated from operating activities</b>		<b>2,401,863</b>	<b>5,985,283</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(2,244,308)	(1,050,933)
Proceeds from sale of property, plant and equipment		81,247	45,340
Purchase of investment properties	9	(393)	(838)
Proceeds from disposal of MDS		438,949	-
Proceeds from sale of investment properties		-	1,241,809
Interest received	5	503,501	-
<b>Net cash generated from investing activities</b>		<b>(1,221,004)</b>	<b>235,378</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non controlling interests		(79,862)	(1,127,667)
Dividends paid to Company shareholders	22	-	(1,844,029)
Proceeds from borrowings	17	1,169,528	-
Rights issue expenses		(368,370)	-
Repayment of borrowings	17	(4,705,136)	(7,170,894)
Interest paid on loans		(207,529)	-
Repayment of lease liability principal	13	(326,941)	-
Proceeds of capital injection by non-controlling interest		185,893	66,640
Acquisition of shares from non-controlling interest		(11,384)	-
<b>Net cash flow used in financing activities</b>		<b>(4,343,801)</b>	<b>(10,075,950)</b>
<b>Net decrease/increase in cash &amp; cash equivalents</b>		<b>(3,162,942)</b>	<b>(3,855,289)</b>
<b>Impairment on cash and cash equivalent</b>		<b>(2,206)</b>	<b>-</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>23,891,134</b>	<b>30,275,249</b>
<b>Effects of exchange rate changes on cash and cash equivalents.</b>		<b>-</b>	<b>(1,976)</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	<b>16</b>	<b>20,725,986</b>	<b>26,417,984</b>

## **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 and Other Edibles, Paints, Packaged Foods and Beverages, 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 2019.

### **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 2019.

### **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 2019. There have been no changes in the risk management structure since year end or in any risk management policy.

### **2.5 Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) UAC of Nigeria Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**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 & Other Edibles**- 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 & Beverages** - 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 Festival 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
- Gross profit
- Profit before tax
- Property, plant and equipment
- Net assets

	<b>Animal Feeds &amp; Other Edibles</b>	<b>Paints</b>	<b>Packaged Food &amp; Beverages</b>	<b>QSR</b>	<b>Logistics</b>	<b>Real Estate</b>	<b>Others</b>	<b>Total</b>
<b>30 June 2020</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>
Revenue from contract with customers	24,922,346	4,259,140	8,179,926	625,218	-	-	230,031	<b>38,216,661</b>
Rental income	-	-	-	-	-	-	117,286	<b>117,286</b>
<b>Total Revenue</b>	<b>24,922,346</b>	<b>4,259,140</b>	<b>8,179,926</b>	<b>625,218</b>	-	-	<b>347,317</b>	<b>38,333,947</b>
Intergroup revenue	(1,440,385)	(22,780)	-	-	-	-	(237,402)	<b>(1,700,567)</b>
Revenue to third parties	23,481,961	4,236,360	8,179,926	625,218	-	-	109,915	<b>36,633,380</b>
Gross profit	2,544,043	1,919,347	2,283,246	114,282	-	-	131,871	<b>6,992,788</b>
Operating profit/(loss)	279,004	698,058	476,120	(43,994)	-	-	(581,152)	<b>828,036</b>
Profit/(loss) before tax	(10,353)	826,136	500,686	(60,972)	-	-	(221,860)	<b>1,033,637</b>
Profit/(Loss) after tax for the year from discontinued operations	-	-	-	-	3,146,244	(2,201,986)	-	<b>944,258</b>
Property, plant and equipment	11,612,844	974,773	4,840,545	274,213	-	-	2,125,410	<b>19,827,785</b>
Net assets	16,608,206	4,635,712	6,888,546	278,174	-	14,838,637	15,836,501	<b>59,085,775</b>



<b>30 June 2019</b>	<b>Animal Feeds &amp; Other Edibles N' 000</b>	<b>Paints N' 000</b>	<b>Packaged Food &amp; Beverages N' 000</b>	<b>QSR N' 000</b>	<b>Logistics N' 000</b>	<b>Real Estate N' 000</b>	<b>Others N' 000</b>	<b>Total N' 000</b>
Revenue from contract with customers	24,839,129	5,265,540	8,697,890	713,155	2,824,656	-	252,214	<b>42,592,583</b>
Rental income	-	-	-	-	-	-	110,448	<b>110,448</b>
<b>Total Revenue</b>	<b>24,839,129</b>	<b>5,265,540</b>	<b>8,697,890</b>	<b>713,155</b>	<b>2,824,656</b>	-	<b>362,662</b>	<b>42,703,031</b>
Intergroup revenue	(1,518,945)	(30,189)	(374,579)	-	(379,036)	-	(288,007)	<b>(2,590,755)</b>
Revenue to third parties	23,320,184	5,235,351	8,323,311	713,155	2,445,620	-	74,655	<b>40,112,277</b>
Gross profit	2,533,728	2,364,247	2,367,615	202,918	723,400	-	146,242	<b>8,338,150</b>
Operating profit/(loss)	844,027	1,127,744	888,454	4,231	436,461	-	(248,654)	<b>3,052,263</b>
Profit / (Loss) before tax	121,239	1,115,205	1,173,018	(12,461)	438,328	-	1,334,401	<b>4,169,729</b>
Profit / (Loss) after tax for the year from discontinued operations	295,565	-	-	-	-	(963,547)	-	<b>(667,982)</b>
Property, plant and equipment	12,976,004	1,680,991	2,741,531	252,685	3,361,130	34,789	720,873	<b>21,768,004</b>
Net assets	16,551,021	3,464,317	6,379,215	499,990	4,705,234	16,836,945	25,394,071	<b>73,830,794</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**Entity wide information**

	30 June 2020 N'000	31 Mar 19 N'000
Analysis of revenue by category:		
Revenue from contract with customers	36,516,094	39,898,388
Rental income	117,286	213,889
	<b>36,633,380</b>	<b>40,112,277</b>

	30 June 2020 N'000	31 Mar 19 N'000
Analysis of revenue by geographical location:		
Nigeria	36,633,380	40,112,277
Others	-	-
	<b>36,633,380</b>	<b>40,112,277</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%.

**Disaggregated Revenue**  
**Group**

Segments	For the period 30 June 2020							Total N'000
	Animal Feeds N'000	Paint N'000	Packaged Food N'000	QSR N'000	Logistics N'000	Real Estate N'000	Others N'000	
<b>Revenue from contracts with customers</b>								
Sale of goods	23,481,961	4,236,360	8,179,926	625,218	-	-	-	36,523,465
Rendering of service	-	-	-	-	-	-	109,915	109,915
<b>Total</b>	<b>23,481,961</b>	<b>4,236,360</b>	<b>8,179,926</b>	<b>625,218</b>	<b>-</b>	<b>-</b>	<b>109,915</b>	<b>36,633,380</b>
<b>Geographical Markets</b>								
Nigeria	23,481,961	4,236,360	8,179,926	625,218	-	-	109,915	36,633,380
Outside Nigeria	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23,481,961</b>	<b>4,236,360</b>	<b>8,179,926</b>	<b>625,218</b>	<b>-</b>	<b>-</b>	<b>109,915</b>	<b>36,633,380</b>
<b>Timing of revenue</b>								
Goods transferred at a point in time	23,481,961	4,236,360	8,179,926	625,218	-	-	-	36,523,465
Services transferred over time	-	-	-	-	-	-	109,915	109,915
	<b>23,481,961</b>	<b>4,236,360</b>	<b>8,179,926</b>	<b>625,218</b>	<b>-</b>	<b>-</b>	<b>109,915</b>	<b>36,633,380</b>

**Disaggregated Revenue Group**

Segments	For the period 30 June 2019							Total
	Animal Feeds	Paint	Packaged Food	QSR	Logistics	Real Estate	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Revenue from contracts with customers</b>								
Sale of goods	23,320,184	5,235,351	8,323,311	713,155	2,445,620	-	-	40,037,621
Rendering of service	-	-	-	-	-	-	74,655	74,655
<b>Total</b>	<b>23,320,184</b>	<b>5,235,351</b>	<b>8,323,311</b>	<b>713,155</b>	<b>2,445,620</b>	<b>-</b>	<b>74,655</b>	<b>40,112,277</b>
<b>Geographical Markets</b>								
Nigeria	23,320,184	5,235,351	8,323,311	713,155	2,445,620	-	74,655	40,112,277
Outside Nigeria	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23,320,184</b>	<b>5,235,351</b>	<b>8,323,311</b>	<b>713,155</b>	<b>2,445,620</b>	<b>-</b>	<b>74,655</b>	<b>40,112,277</b>
<b>Timing of revenue</b>								
Goods transferred at a point in time	23,320,184	5,235,351	8,323,311	713,155	2,445,620	-	-	40,037,621
Services transferred over time	-	-	-	-	-	-	74,655	74,655
<b>Total</b>	<b>23,320,184</b>	<b>5,235,351</b>	<b>8,323,311</b>	<b>713,155</b>	<b>2,445,620</b>	<b>-</b>	<b>74,655</b>	<b>40,112,277</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**3 (i) Other operating income**

	<b>The Group</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>N' 000</b>	<b>N' 000</b>
Profit on sale of Property, Plant and Equipment	4,409	26,296
Provision writeback	2,500	-
Government grant	39,853	59,507
Insurance claim	311	-
Exchange gain	114,665	-
Other income**	135,984	118,903
<b>Total other operating income</b>	<b>297,723</b>	<b>204,706</b>

**\*\*Other income**

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

**3 (ii) Other operating losses**

	<b>The Group</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>N'000</b>	<b>N'000</b>
Impairment (loss)/gain on financial assets	30,000	-
<b>Total other operating losses</b>	<b>30,000</b>	<b>-</b>

**4 (a) Expenses by Nature**

	<b>The Group</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>N' 000</b>	<b>N' 000</b>
Changes in inventories of finished goods and work in progress	24,771,487	24,761,394
Write off of inventories to net realisable value	12,942	29,999
Personnel expenses	3,964,966	4,197,435
Depreciation charge on property, plant and equipment	1,003,837	1,115,041
Depreciation charge on right-of-use asset	262,261	-
Amortisation of intangibles	26,135	36,288
Impairment of property, plant and equipment	-	119,648
Allowance for /(recovery from) receivables impairment	82,724	93,511
Expected credit loss on cash equivalent	2,206	-
Additional VAT and other levies incurred	-	73,651
Rents & Rates	116,368	363,781
Electricity & power	1,116,283	1,301,882
Vehicles repairs, maintenance & fueling	148,732	403,230
Other repairs & maintenance	384,847	561,712
Auditors' remuneration	66,314	80,758
Information technology charge	180,182	159,448
Legal expenses	80,305	60,627
Donations & Subscriptions	198,579	24,482
Insurance	99,784	108,841
Distribution expenses	1,400,275	1,289,172
Marketing, Advertising & Communication	256,484	313,673
Sundry office expenses	1,908,285	2,170,148
	<b>36,082,997</b>	<b>37,264,720</b>

**4 (b) Expenses by Function**

*Analysed as:*

Cost of sales	29,640,592	31,774,127
Selling and distribution expenses	2,957,769	2,678,577
Administrative expenses	3,484,636	2,812,016
	<b>36,082,997</b>	<b>37,264,720</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

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

**The Group**  
**30 June 2020    30 June 2019**

	<b>N' 000</b>	<b>N' 000</b>
Interest income on short-term bank deposits	503,501	1,654,065
<b>Finance Income</b>	<b>503,501</b>	<b>1,654,065</b>
*Interest expense on bank loans	(289,681)	(477,092)
Interest expense on lease liability	(77,164)	-
Government grant	-	(59,507)
<b>Finance Costs</b>	<b>(366,845)</b>	<b>(536,599)</b>
<b>Net finance income</b>	<b>136,656</b>	<b>1,117,466</b>

\*Interest expense on bank loans includes accrued interest of N82.2m and paid amount of N207.5m.

**6. Taxation**

Reconciliation of the tax payable account

**The Group**  
**30 June 2020    31 Dec 19**

	<b>N'000</b>	<b>N'000</b>
Opening balance	4,510,936	6,327,649
Reclassified to assets held for sales**	-	(1,999,843)
Income tax expense	819,818	2,012,630
Write back of over-provision	-	(89,801)
Withholding tax credit notes utilised	-	(188,845)
Payment during the year	(148,644)	(1,550,854)
<b>Closing balance</b>	<b>5,182,109</b>	<b>4,510,936</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

---

**6 (i). 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>30 June 2020</b>	<b>30 June 2019</b>
	<b>N' 000</b>	<b>N' 000</b>
<b>Profit attributable to ordinary equity shareholders:</b>		
Profit/(loss) from continuing operations	(193,798)	2,004,349
Profit/(loss) from discontinued operations	1,126,477	(231,464)
<b>Profit/(loss) for the period</b>	<b>932,679</b>	<b>1,772,885</b>
<b>Basic earnings per share</b>		
<b>Diluted earnings per share</b>		
From continuing operations	(7)	70
From discontinued operations	39	(8)
From profit for the period	32	62

*(b) Diluted*

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

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**7. Property, plant and equipment**

**The Group**

Cost:	Leasehold land	Plant and	Computer	Motor Vehicles	Office Furniture	Capital Work in	Total
	and buildings	Machinery	Equipment			progress	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2019	12,213,243	19,314,220	1,358,839	3,371,956	1,223,020	307,932	37,789,210
Additions	284,552	1,222,439	96,861	608,661	106,803	391,159	2,710,474
Disposals	-	(746,164)	(33,532)	(191,690)	(13,501)	(6,038)	(990,925)
Write Off	-	(683)	-	-	-	(1,096)	(1,779)
Reclassifications	30,133	42,604	2,946	13,458	20,282	(145,635)	(36,212)
Other reclassifications**	-	3	-	-	-	36,209	36,212
Assets of disposal group held for distribution/sale	(3,736,730)	(555,674)	(196,744)	(1,380,100)	(465,102)	5,594	(6,328,756)
<b>At 31 December 2019</b>	<b>8,791,199</b>	<b>19,276,743</b>	<b>1,228,370</b>	<b>2,422,286</b>	<b>871,501</b>	<b>588,125</b>	<b>33,178,225</b>
At 1 January 2020	8,791,199	19,276,743	1,228,370	2,422,286	871,501	588,125	33,178,225
Additions	33,599	363,139	57,385	386,839	20,452	1,382,894	2,244,308
Disposals	-	(140,364)	(290)	(90,529)	(3,447)	(3,036)	(237,666)
Assets held for sale	(213,165)	(362,267)	(10,329)	-	(7,710)	-	(593,471)
Reclassifications	3,947	247,518	-	4,750	-	(256,215)	-
<b>At 30 June 2020</b>	<b>8,615,580</b>	<b>19,384,769</b>	<b>1,275,136</b>	<b>2,723,346</b>	<b>880,796</b>	<b>1,711,768</b>	<b>34,591,395</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2019	2,631,567	9,342,245	1,070,400	2,046,602	991,183	12,000	16,093,996
Charge for the year	196,553	1,163,296	129,047	275,684	72,193	-	1,836,774
Impairment charge	137,287	444.11	-	-	-	-	137,732
Disposals	-	(741,603)	(27,448)	(132,951)	(10,794)	-	(912,797)
Assets of disposal group held for distribution/sale	(1,077,520)	(418,659)	(169,015)	(840,151)	(391,723)	-	(2,897,068)
<b>At 31 December 2019</b>	<b>1,887,888</b>	<b>9,345,721</b>	<b>1,002,984</b>	<b>1,349,184</b>	<b>660,859</b>	<b>12,000</b>	<b>14,258,637</b>
At 1 January 2020	1,887,888	9,345,721	1,002,984	1,349,184	660,859	12,000	14,258,637
Charge for the year	149,169	600,566	56,062	174,254	23,785	-	1,003,836
Disposals	-	(98,509)	(246)	(58,668)	(3,405)	-	(160,829)
Assets held for sale	(24,197)	(301,119)	(5,741)	-	(6,977)	-	(338,034)
<b>At 30 June 2020</b>	<b>2,012,860</b>	<b>9,546,659</b>	<b>1,053,059</b>	<b>1,464,770</b>	<b>674,262</b>	<b>12,000</b>	<b>14,763,610</b>
<b>Net book values:</b>							
<b>At 30 June 2020</b>	<b>6,602,720</b>	<b>9,838,110</b>	<b>222,077</b>	<b>1,258,576</b>	<b>206,534</b>	<b>1,699,768</b>	<b>19,827,785</b>
<b>At 31 December 2019</b>	<b>6,903,311</b>	<b>9,931,022</b>	<b>225,386</b>	<b>1,073,102</b>	<b>210,642</b>	<b>576,125</b>	<b>18,919,587</b>

\*Assets written off include fully depreciated assets no longer in use and damaged assets identified during the period.

\*\*Other reclassifications are assets that were transferred to/from PPE, to/from Intangible asset and Investment properties due to change in the use. Also, cost relating to SAP ERP implementation accumulated in PPE was transferred to intangible asset during the period.

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

UAC of Nigeria Plc  
Notes to the Unaudited Consolidated Financial Statements  
for the Period Ended 30 June 2020

8. Intangible assets and goodwill

	Group				
	Goodwill N' 000	Brands & Trade Marks N' 000	Software N' 000	Capital Work in progress N' 000	Total N' 000
Cost					
At 1 January 2019	548,747	1,070,185	1,186,039	4,620	2,809,592
Additions - externally acquired during the year	-	-	14,847	-	14,847
<b>At 31 December 2019</b>	<b>548,747</b>	<b>1,070,185</b>	<b>836,150</b>	<b>4,620</b>	<b>2,459,703</b>
At 1 January 2020	548,747	1,070,185	836,150	4,620	2,459,703
Additions - externally acquired during the year	-	-	-	-	-
<b>At 30 June 2020</b>	<b>548,747</b>	<b>1,070,185</b>	<b>836,150</b>	<b>4,620</b>	<b>2,459,703</b>
Accumulated amortisation and impairment					
At 1 January 2019	-	288,439	995,497	-	1,283,936
Amortisation for the year	-	-	89,192	-	89,192
Assets of disposal group held for distribution/sale	-	-	(331,029)	-	(331,029)
<b>At 31 December 2019</b>	<b>-</b>	<b>288,439</b>	<b>753,661</b>	<b>-</b>	<b>1,042,100</b>
At 1 January 2020	-	288,439	753,661	-	1,042,100
Amortisation for the period	-	-	26,135	-	26,135
<b>At 30 June 2020</b>	<b>-</b>	<b>288,439</b>	<b>779,796</b>	<b>-</b>	<b>1,068,235</b>
Net book values					
<b>At 30 June 2020</b>	<b>548,747</b>	<b>781,746</b>	<b>56,355</b>	<b>4,620</b>	<b>1,391,468</b>
<b>At 31 December 2019</b>	<b>548,747</b>	<b>781,746</b>	<b>82,490</b>	<b>4,620</b>	<b>1,417,603</b>



9 . Investment property

Fair value	The Group		
	Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
At 1 January 2019	690,035	6,506,628	7,196,663
Additions during the year	-	1,590	1,590
Disposals	-	(380,000)	(380,000)
Impairment of investment properties	-	(219,617)	(219,617)
Assets of disposal group held for sale/distribution	(272,300)	(3,926,000)	(4,198,300)
<b>At 31 December 2019</b>	<b>417,735</b>	<b>1,982,601</b>	<b>2,400,336</b>
At 1 January 2020	417,735	1,982,601	2,400,336
Additions during the period	-	393	393
<b>At 30 June 2020</b>	<b>417,735</b>	<b>1,982,994</b>	<b>2,400,729</b>

Fair value of investment properties is categorised as follows:

	30-Jun-20	The Group		
		Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
Internal valuation		-	-	-
External valuation		417,735	1,982,994	2,400,729
		<b>417,735</b>	<b>1,982,994</b>	<b>2,400,729</b>

Fair value of investment properties is categorised as follows:

	31-Dec-19	The Group		
		Freehold building N' 000	Leasehold building N' 000	Total investment properties N' 000
Internal valuation		-	-	-
External valuation		417,735	1,982,601	2,400,336
		<b>417,735</b>	<b>1,982,601</b>	<b>2,400,336</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**10. 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	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Opening Balance	28,771	47,729
Impairment of financial asset	-	(1,229)
Write-off	-	(17,729)
<b>Closing balance</b>	<b>28,771</b>	<b>28,771</b>

**11. Investments in associates**

The Group's investment in Associate is on account of MDS Logistics.

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

	The Group	
	30 June 2020	31 Dec 19
	N'000	N'000
Opening balance	-	20,017,860
Addition	4,656,900	-
Share of profit	68,945	584,617
Dividend received	-	(956,371)
UPDC Fair Value Loss on UPDC REIT	-	(12,638,216)
Assets of disposal group held for distribution/sale - UPDC	-	(7,007,890)
<b>Closing balance</b>	<b>4,725,845</b>	<b>-</b>

	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
<b>12. Debt instrument at amortised cost</b>		
Opening balance	1,991,907.00	-
Additions during the year	-	2,015,218
Exchange gain on revaluation	114,665	-
ECL -Impairment	-	(23,311)
<b>Closing balance</b>	<b>2,106,572</b>	<b>1,991,907</b>

The Group invested in Eurobond assets with the business model of solely holding for principal and interest payment and designated as debt instrument at amortised cost

The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at amortised cost comprised solely of quoted eurobonds that are rated by reputable Credit Rating Agency.

	Bond type	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
BB- (Fitch)/BB- (S&P)	FGN 2021	1,453,926	-	-	1,453,926
B- (Fitch)	FIDBAN 2022	305,167	-	-	305,167
B- (Fitch)/B- (S&P)	SEPLAT 2023	370,790	-	-	370,790
<b>Total</b>		<b>2,129,883</b>	<b>-</b>	<b>-</b>	<b>2,129,883</b>

	Stage 1 N' 000	Stage 2 N' 000	Stage 3 N' 000	Total N' 000
<b>Movement in Expected Credit Loss (ECL)</b>				
Opening balance	23,311	-	-	23,311
New assets purchased	-	-	-	-
<b>Closing balance</b>	<b>23,311</b>	<b>-</b>	<b>-</b>	<b>23,311</b>

### 13. Right of return assets and refund liabilities

	The Group	
	30 June 2020 N' 000	30 June 2019 N' 000
Right of return assets	11,206	7,384
Refund liabilities		
- Arising from retrospective volume rebates	-	-
- Arising from rights of return	13,368	8,093
	<b>13,368</b>	<b>8,093</b>

#### 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.

#### 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.

#### 13.1 Right of use assets

The Group has lease contracts for various items of land and building and machinery and other equipment used in its operations. Leases of land and building generally have lease terms between 1 and 45 years, while machinery and other equipment generally have lease terms between 3 months and 5 years.

Right of use assets	Land and Building	Plant and Machinery	Total
	N' 000	N' 000	N' 000
Opening balance	941,799	174,608	1,116,407
Depreciation expenses	(262,261)	-	(262,261)
Lease termination	(2,349)	-	(2,349)
<b>Closing balance</b>	<b>679,538</b>	<b>174,608</b>	<b>851,797</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period;

13.2 Lease Liability	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
Opening balance	982,117	1,152,882
Additions	-	-
Accretion interest	77,164	185,152
Payments	(326,941)	(355,917)
Lease terminated	(2,349)	-
<b>Closing balance</b>	<b>729,990</b>	<b>982,117</b>
Current	430,589	526,623
Non-current	299,401	455,494
	<b>729,990</b>	<b>982,117</b>

14. Inventories

	The Group	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Raw materials and consumables	9,370,605	12,440,215
Technical stocks and spares	1,729,760	1,655,627
Finished goods and goods for resale	2,223,465	2,194,371
	<b>13,323,829</b>	<b>16,290,212</b>

15. Trade and other receivables

	The Group	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Receivables due within one year		
Trade receivables	3,464,300	3,126,356
Less: allowance for impairment of trade receivables	(1,313,495)	(1,230,771)
<b>Net trade receivables</b>	<b>2,150,805</b>	<b>1,895,584</b>
Other receivables	1,709,426	1,149,965
Advance payments	149,131	-
WHT receivable	924,479	1,070,382
Prepayments - staff grants	105,712	168,084
Prepayments- Other	520,018	731,303
	<b>5,559,571</b>	<b>5,015,319</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	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Prepayments - Current	625,730	899,387
Prepayments - Non-current	99,913	132,960
<b>Total prepayments</b>	<b>725,643</b>	<b>1,032,347</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	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Opening balance	1,230,771	1,693,208
(Recovery from)/Allowance for receivables impairment	82,724	(181,754)
Assets of disposal group held for distribution/sale	-	(280,683)
<b>Closing balance</b>	<b>1,313,495</b>	<b>1,230,771</b>

## 16. Cash and cash equivalents

	The Group	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Cash at bank and in hand	4,215,754	5,867,483
Short-term deposits	15,366,096	16,191,616
Expected credit losses on short term deposit	(49,841)	(47,635)
Cash at banks and short term deposits attributable to discontinued operations	1,193,977	1,879,671
<b>Cash and short-term deposits</b>	<b>20,725,986</b>	<b>23,891,136</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 ₦2.4 bn which represents unclaimed dividends received from Africa Prudential Registrars as at 30 June 2020.

### (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	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Cash and short-term deposits	20,725,986	23,891,136
<b>Balances per statement of cash flow</b>	<b>20,725,986</b>	<b>23,891,136</b>

## 17. Borrowings

	The Group	
	30 June 2020	31 Dec 19
	N' 000	N' 000
<b>Current borrowings</b>		
Overdrafts due within one year	-	-
Loans due within one year	2,976,961	4,595,937
	<b>2,976,961</b>	<b>4,595,937</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	-	1,850,583
<b>Total borrowings</b>	<b>2,976,961</b>	<b>6,446,520</b>
Opening balance	6,446,520	24,172,361
Repayment of borrowing during the year	(4,705,136)	(4,393,485)
Initial fair value of grant	-	(59,421)
Additional grant received	(16,104)	-
Interest on loans	82,153	806,022
Additions	1,169,528	4,479,255
Liabilities of disposal group held for sale/distribution	-	(18,558,212)
<b>Closing balance</b>	<b>2,976,961</b>	<b>6,446,520</b>

The above borrowings are denominated in Naira

The borrowings are repayable as follows:

	The Group	
	30 June 2020	31 Dec 19
	N' 000	N' 000
Within one year	2,976,961	4,595,937
Between one to two years	-	1,850,583
	<b>2,976,961</b>	<b>6,446,520</b>

### (i) Loans due within one year

Bank	Effective Interest Rate	The Group		Maturity date	Security
		30 June 2020	31 Dec 19		
		N' 000	N' 000		
First Bank of Nigeria Ltd	13.7%	-	-	Jun-19	No security
Sterling Bank Plc - Agric Loan	8.5%	-	175,937	Jul-20	No security
Union Bank of Nigeria Plc (CACS Loan)	8.0%	976,657	1,000,000	Nov-20	No security
BOI - Agric Loan	10.9%	-	1,420,000	Dec-20	No security
Zenith bank (CBN Maize Aggregation)	10.9%	2,000,304	2,000,000	Dec-20	No security
		<b>2,976,961</b>	<b>4,595,937</b>		

The above borrowings are denominated in Naira

### (ii) Loans due after one year

Details of the loan maturities due after one year are as follows:	Effective Interest Rate	The Group		Maturity date
		30 June 2020	31 Dec 19	
		N' 000	N' 000	
Facility				
Grand Cereals Ltd: Sterling Bank Plc & BOI - Agric loan	8.5%	-	1,850,583	July, 2020
		-	<b>1,850,583</b>	

**UAC of Nigeria Plc**  
**Notes to the Consolidated and Separate financial statements**  
**for the Period Ended 30 June 2020**

**18. Deferred Tax**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>The Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>
Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	11,619	11,619
– Deferred tax asset to be recovered within 12 months	-	-
	<b>11,619</b>	<b>11,619</b>
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	4,150,461	4,150,461
– Deferred tax liability to be recovered within 12 months	-	-
<b>Net Deferred tax (liabilities) / assets</b>	<b>4,150,461</b>	<b>4,150,461</b>

The gross movement on the deferred income tax account is as follows:

	<b>The Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>
Opening balance	(4,138,841)	(4,621,286)
Adjustment of opening balance **	-	580,758.00
(Charged)/ credited to profit or loss	-	(98,313)
<b>Closing balance</b>	<b>(4,138,841)</b>	<b>(4,138,841)</b>

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

**The Group**

Deferred tax assets	<b>PPE</b>	<b>Allowance for impairment on receivables</b>	<b>Tax losses</b>	<b>Exchange difference</b>	<b>Investment properties</b>	<b>Capital Gains to be reinvested</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January 2019	(5,571)	(52,171)	147,885	-	-	-	711,900
Credited to profit or loss	(92,081)	161,442	(147,885)	-	-	-	(621,756)
<b>At 31 December 2019</b>	<b>(97,652)</b>	<b>109,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,144</b>
At 1 January 2020	(97,652)	109,271	-	-	-	-	90,144
<b>At 30 June 2020</b>	<b>(97,652)</b>	<b>109,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,144</b>

The Group has tax losses of ₦300,480,000 that are available indefinitely for offsetting against future taxable profits of the Company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group

	PPE	Allowance for impairment on receivables	Tax losses	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Deferred tax liabilities</b>							
At 1 January 2019	4,628,055	(533,488)	(1,049,021)	(14,900)	1,979,081	(298,297)	4,711,430
Adjustment of opening balance **	(609,506)	267,620	1,049,021	(1,170)	(1,170,432)	(116,291)	(580,758)
Charged/(credited) to profit or loss	13,955	24,190	-	3,605	(21,962)	-	19,788
<b>At 31 December 2019</b>	<b>4,032,504</b>	<b>(241,678)</b>	<b>-</b>	<b>(12,464)</b>	<b>786,687</b>	<b>(414,588)</b>	<b>4,150,461</b>
At 1 January 2020	4,032,504	(241,678)	-	(12,464)	786,687	(414,588)	4,150,461
<b>At 30 June 2020</b>	<b>4,032,504</b>	<b>(241,678)</b>	<b>-</b>	<b>(12,464)</b>	<b>786,687</b>	<b>(414,588)</b>	<b>4,150,461</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**19. Trade and other payables**

	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
Trade payables	1,686,876	5,003,051
	<b>1,686,876</b>	<b>5,003,051</b>
Provision for employee leave	15,723	-
Defined contribution benefit owing to UNICO fund	85,637	68,698
Other payables	2,295,726	2,360,760
WHT payable	193,712	83,259
VAT payable	229,149	307,951
PAYE payable	52,288	485
Advance from customers	59,052	199,967
Accruals	3,060,890	1,936,137
<b>Total</b>	<b>7,679,053</b>	<b>9,960,310</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 6 months.

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

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

**20. Government Grant**

	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
Opening balance	50,107	-
Amount received during the year	16,104	59,421
Released to the statement of profit or loss	(39,853)	(9,314)
<b>Closing balance</b>	<b>26,359</b>	<b>50,107</b>
Current	26,359	50,107
Non-current	-	-
	<u>26,359</u>	<u>50,107</u>

Government grant relates to government facilities received by Livestock Feeds PLC, at below-market rates of interest. The facilities are meant to assist in the procurement of grains. In the entity, the grant is 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. Contract liabilities**

	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
Opening balance	669,292	268,686
Deferred during the period	584,954	461,144
Released to the statement of profit or loss	(120,348)	(60,539)
<b>Closing balance</b>	<b>1,133,898</b>	<b>669,292</b>
Current	1,133,898	669,292
Non-current	-	-
	<u>1,133,898</u>	<u>669,292</u>

This relates to consideration paid by customers before the transfers of goods or services. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

**22. Dividend payable**

	The Group	
	30 June 2020 N' 000	31 Dec 19 N' 000
Opening balance	5,517,803	5,375,416
Dividend declared	136,015	1,844,029
Dividend paid during the year	(79,862)	(2,073,296)
Statute barred unclaimed dividend/ Statute barred unclaimed dividend written back	-	(206,342)
Unclaimed dividend refunded	-	917,917
Assets of disposal group held for distribution/ sale	-	(339,920)
<b>Closing balance</b>	<b>5,573,956</b>	<b>5,517,803</b>



**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**23. Provisions**

<b>The Group</b>	<b>Provisions</b>	<b>Legal claim</b>	<b>Decommissioning liability</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N' 000</b>	<b>N' 000</b>
At 1 January 2020	6,000	89,948	7,387	103,335
Unwinding of discount	-	-	-	-
Derecognised on payment	-	(2,500)	-	(2,500)
Provision write back	-	-	-	-
Additional provision	-	-	-	-
Exchange difference arising on litigation	-	-	-	-
<b>30 June 2020</b>	<b>6,000</b>	<b>87,448</b>	<b>7,387</b>	<b>100,835</b>
Current	-	87,448	6,000	<b>93,448</b>
Non-current	6,000	-	1,387	<b>7,387</b>
At 1 January 2019	3,000	90,085	10,874	103,958
Unwinding of discount	3,000	-	3,740	6,740
Additional provision	-	-	3,934	3,934
Provision write back	-	-	(11,161)	(11,161)
Exchange difference arising from litigation	-	(137)	-	(137)
<b>31 December 2019</b>	<b>6,000</b>	<b>89,948</b>	<b>7,387</b>	<b>103,335</b>
Current	-	89,948	6,000	<b>95,948</b>
Non-current	6,000	-	1,387	<b>7,387</b>

***Decommissioning liability***

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.

***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.

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**24. Share Capital**  
Group and Company

	2019	
	Number 000	Amount N' 000
<b>Authorised:</b>		
Ordinary Shares of 50k each	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000
<b>Total authorised share capital</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
<b>Total called up share capital</b>	<b>2,881,296</b>	<b>1,440,648</b>

**Movements during the period:**

	Group and Company	
	Number of shares 000	Ordinary shares N' 000
Balance at 1 January 2019	2,881,296	1,440,648
Capitalised during the period	-	-
Issue of new shares	-	-
<b>At 31 December 2019</b>	<b>2,881,296</b>	<b>1,440,648</b>
Capitalised during the period	-	-
<b>At 30 June 2020</b>	<b>2,881,296</b>	<b>1,440,648</b>

***Nature and purpose of Other Reserves***

***Share Premium***

Section 120.2 of Companies and Allied Matters Act requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium. The Share premium is to be capitalised and issued as scrips as approved by shareholders from time to time.

***Contingency Reserve***

The contingency reserve covers an appropriation of surplus or retained earnings that may or may not be funded, indicating a reservation against a specific or general contingency. The contingency reserve represents the transfer to statutory reserve of 12.5% of the profit after tax of UNICO CPFA Limited in line with section 69 of the Pension Reform Act 2004 (2014 as amended).

***Fair value/available for sale reserve***

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

***Right issue***

UPDC Right Issue: N15.95b right issue was completed and allotment proposal approved by Security and Exchange Commission (SEC) on the 20th of April 2020. Related issuance cost of N392.5m was bore by the owners of the company.

***Acquisition of shares from Non-controlling interest***

Additional investment was made into Portlant Paints and Products Nigeria Plc in April 2020 increasing the shareholding of the parent company in the subsidiary to 85.98%.

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

	Notes	Group	
		2020 N' 000	2019 N' 000
<b>Profit before tax from continuing operations</b>		1,033,637	3,391,759
Loss before tax from discontinued operations		989,194	(135,337)
Adjustment for net finance (income)/costs	5	(136,656)	163,859
<b>Operating profit</b>		<b>1,886,175</b>	<b>3,420,281</b>
Amortisation of intangible assets	4	26,135	51,223
Share of associate and joint ventures' profit		-	(584,617)
Impairment of financial assets	3	30,000	-
Depreciation charge on property, plant and equipment	4	1,003,837	946,541
Depreciation charge on leases	4	262,261	-
Interest received		-	1,654,702
Interest paid		-	(1,818,561)
Expected credit loss on cash equivalent	4	2,206	-
Expected credit loss	4	82,724	-
Effects of exchange rate changes	3	(114,665)	(1,976)
Unwinding of government grant	3	(39,853)	-
Share of profit in associate		(68,945)	-
Impairment charges on PPE		-	144,331
Profit on sale of disposal of subsidiary	26	(3,146,244)	-
Loss on sale of investment property		-	103,831
Loss (Profit) on sale of tangible PPE	3	(4,409)	(29,647)
Movement in provision	3	(2,500)	-
<b>Operating cash flows before movements in working capital</b>		<b>(83,278)</b>	<b>3,886,108</b>
Movements in working capital:			
Changes in inventories		2,966,383	4,274,701
Changes in trade and other receivables and prepayments		(623,929)	(994,707)
Changes in contract liabilities		464,606	-
Changes in trade and other payables		(2,281,257)	(680,713)
Changes in finance lease receivable		(10,375)	-
Changes in right of return asset		(3,822)	-
Changes in refund liability		5,275	-
<b>Net cash (used in)/ from operations - continuing operations</b>		<b>433,603</b>	<b>6,485,389</b>
Changes in assets and liabilities of disposal group held for distribution/sale		2,116,904	-
<b>Net cash from operations - discontinued operations</b>		<b>2,116,904</b>	<b>-</b>
<b>Net cash (used in)/ from operations</b>		<b>2,550,507</b>	<b>6,485,389</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

**26. Assets held for sale**

Part of a manufacturing facility within the Paints segment is presented as asset held for sale following the commitment of the board on November 2019 to selling the asset, an active plan of sale has The disposal group are measured in accordance with the applicable accounting policy (IFRS 5) and are no longer depreciated.

**30 June 20**

Property, plant and equipment (Note 7)	<u>255,436</u>
--	----------------

**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 be 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. As part of the voluntary winding up process, the assets of UNICO has been sold and liabilities settled. The winding up process is to be concluded in FY 2020.

**MDS Logistics (MDS)**

On July 2019, UACN entered into an agreement to sell 8% of its shareholding in MDS to Imperial Capital Limited (ICL). Consequent to the sale, UACN will own 43% of MDS thereby ceding control. As at period end June 2020, the transaction has been concluded, hence profit from the disposal of MDS has been reported under IFRS 5 as non current asset held for disposal/distribution and discontinued operations.

	<b>N'000</b>
Cash consideration	866,400
*Share of net asset of subsidiary	(2,377,056)
Investment in associate	<u>4,656,900</u>
Profit on disposal of discontinued operations	<u><b>3,146,244</b></u>

Cash proceed from sale as shown in cash flow statement

	<b>N'000</b>
Cash proceed from disposal	866,400
Less cash and cash equivalent balance	<u>(427,451)</u>
<b>Net cash proceed from disposal</b>	<u><b>438,949</b></u>

\* Total net asset of subsidiary prior to disposal was N4.66bn, the share attributable to NCI amounted to N2.28bn.

**UAC of Nigeria Plc**

**Notes to the Unaudited Consolidated Financial Statements  
for the Period Ended 30 June 2020**

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

	UPDC 30-Jun-20 N'000	UNICO 30-Jun-20 N'000	TOTAL 30-Jun-20 N'000
<b><u>Assets</u></b>			
<b>Non-current assets:</b>			
Property, plant and equipment	32,104	2,920	35,024
Intangible assets	7,532	-	7,532
Investment properties	2,020,050	-	2,020,050
Investments in joint ventures	129,589	-	129,589
Right of use asset	-	-	-
Investments in associates	-	-	-
Deferred tax asset	-	945	945
	<b>2,189,275</b>	<b>3,865</b>	<b>2,193,140</b>
<b>Current assets</b>			
Inventories	5,602,205	-	5,602,205
Trade and other receivables	4,043,866	-	4,043,866
Statutory Reserve Fund Account	-	66,096	66,096
Income tax asset	-	-	-
	9,646,070	66,096	9,712,166
Assets of disposal group classified as held for sale/ distribution to owners - UHL	<b>14,569,484</b>	-	<b>14,569,484</b>
<b>Total</b>	<b>26,404,829</b>	<b>69,961</b>	<b>26,474,789</b>
<b><u>Liabilities</u></b>			
<b>Non-current liabilities</b>			
Borrowings	4,262,744	-	4,262,744
Lease liability	-	-	-
Deferred taxation liabilities	72,537	-	72,537
Deferred revenue	3,654	-	3,654
	<b>4,338,935</b>	-	<b>4,338,935</b>
<b>Current liabilities</b>			
Trade and other payables	3,785,802	48,952	3,834,754
Current income tax liabilities	145,559	8,004	153,563
Interest bearing Loans and Borrowings	1,464,328	-	1,464,328
Dividend Payable	325,549	-	325,549
Contract liabilities	104,927	-	104,927
	<b>5,826,165</b>	<b>56,956</b>	<b>5,883,121</b>
Liabilities of disposal group classified as held for sale/distribution to owners - UHL	930,871	-	930,871
<b>Total</b>	<b>11,095,971</b>	<b>56,956</b>	<b>11,152,927</b>

**UAC of Nigeria Plc**  
**Notes to the Unaudited Consolidated Financial Statements**  
**for the Period Ended 30 June 2020**

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

	<b>MDS</b>	<b>UPDC</b>	<b>TOTAL</b>	<b>WSWNL</b>	<b>UPDC</b>	<b>TOTAL</b>
	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>30-Jun-19</b>	<b>30-Jun-19</b>	<b>30-Jun-19</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	-	324,588	324,588	-	1,456,636	1,456,636
Cost of sales	-	(272,511)	(272,511)	-	(1,160,968)	(1,160,968)
Gross profit	-	52,077	52,077	-	295,668	295,668
FV loss/write down of investment properties	-	-	-	-	-	-
(Loss)/Gain on disposal of investment properties	-	(43,375)	(43,375)	-	-	-
Other income/(loss)	-	80,438	80,438	-	(86,152)	(86,152)
Selling and distribution expenses	-	(32,980)	(32,980)	-	(47,502)	(47,502)
Administrative expenses	-	(300,109)	(300,109)	-	(243,275)	(243,275)
Financial guarantee	-	(775,920)	(775,920)	-	-	-
Operating profit	-	<b>(1,019,869)</b>	<b>(1,019,869)</b>	-	<b>(81,261)</b>	<b>(81,261)</b>
Finance income	-	2,298	2,298	-	637	637
Finance cost	-	(322,461)	(322,461)	-	(1,281,962)	(1,281,962)
Share of profit of associates	-	-	-	-	584,617	584,617
<b>(Loss)/Profit before tax</b>	-	<b>(1,340,032)</b>	<b>(1,340,032)</b>	-	<b>(777,970)</b>	<b>(777,970)</b>
Tax expense:	-	-	-	-	-	-
Related to pre-tax profit/(loss) from the ordinary activities for	-	(44,936)	(44,936)	-	(50,240)	(50,240)
<b>Loss after tax</b>	-	<b>(1,384,968)</b>	<b>(1,384,968)</b>	-	<b>(828,210)</b>	<b>(828,210)</b>
Loss from discontinued operation	3,146,244	(75,006)	3,071,238	295,565	(135,337)	160,228
Impairment of assets of disposal group held for sale	-	(742,012)	(742,012)	-	-	-
<b>(Loss)/profit from discontinued operations</b>	<b>3,146,244</b>	<b>(2,201,986)</b>	<b>944,258</b>	<b>295,565</b>	<b>(963,547)</b>	<b>(667,982)</b>
<b>Other Comprehensive income</b>						
<b>Total Comprehensive (loss)/income for the period net of tax</b>	<b>3,146,244</b>	<b>(2,201,986)</b>	<b>944,258</b>	<b>295,565</b>	<b>(963,547)</b>	<b>(667,982)</b>

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