



**UAC of Nigeria Plc  
Financial Statements for the period  
ended 30th June 2016**

**UAC of Nigeria Plc**  
**Index to the consolidated and Separate financial statements**  
**for the period ended 30th June 2016**

<b>Note</b>	<b>Page</b>
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statements of changes in equity	3
Consolidated cash flow statements	4
Notes to the consolidated financial statements	5
1 General information	5
2 Summary of significant accounting policies	5
3 Segment analysis	6
4 Other gains/(losses)	7
5 Net finance income/(cost)	8
6 Earnings per share	9
7 Property, plant and equipment	10
8 Intangible assets	11
9 Investment property	12
10 Investments in subsidiaries	13
11 Investments in associates and joint ventures	13
12 Inventories	14
13 Properties under construction	14
14 Trade and other receivables	14-15
15 Cash and cash equivalent	17
16 Borrowings	17
17 Trade and other payables	18
18 Deferred revenue	18
19 Provisions	19
20 Share capital	20
21 Reconciliation of profit before tax to cash generated from operations	20

**UAC of Nigeria Plc**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period ended 30th June 2016**

	Notes	3 months to June 2016 N'000	The Group		
			6 months to June 2016 N'000	3 months to June 2015 N'000 Re-presented	6 months to June 2015 N'000 Re-presented
<b>Continuing Operations</b>					
Revenue	3	19,137,859	36,802,958	19,978,152	37,707,568
Cost of sales		(14,950,781)	(28,638,796)	(15,638,344)	(29,181,689)
<b>Gross profit</b>		<b>4,187,078</b>	<b>8,164,162</b>	<b>4,339,808</b>	<b>8,525,879</b>
Other gains	4	247,138	513,827	225,159	520,413
Selling and distribution expenses		(843,263)	(1,758,534)	(1,026,632)	(1,812,156)
Administrative expenses		(1,876,472)	(3,542,261)	(1,838,075)	(3,487,870)
Other Losses	4(i)	(48,450)	(48,450)	(2,335)	(8,503)
<b>Operating profit</b>		<b>1,666,030</b>	<b>3,328,745</b>	<b>1,697,925</b>	<b>3,737,763</b>
Finance income	5	397,657	628,049	372,495	687,128
Finance cost	5	(199,765)	(993,717)	(601,008)	(1,394,541)
Net finance (cost) / income		197,891	(365,668)	(228,512)	(707,412)
Share of net profit of associates and joint venture using the equity method	11(i)	305,949	970,191	465,890	1,205,325
<b>Profit before tax from continuing operations</b>		<b>2,169,871</b>	<b>3,933,269</b>	<b>1,935,303</b>	<b>4,235,676</b>
Income Tax Expense		(859,434)	(1,306,142)	(490,586)	(1,110,555)
<b>Profit for the period</b>		<b>1,310,437</b>	<b>2,627,127</b>	<b>1,444,716</b>	<b>3,125,121</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		745,741	1,495,040	794,594	1,716,706
Non controlling interests		564,696	1,132,087	650,122	1,408,414
		<b>1,310,437</b>	<b>2,627,127</b>	<b>1,444,716</b>	<b>3,125,120</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		745,741	1,495,040	794,594	1,716,706
Non controlling interests		564,696	1,132,087	650,122	1,408,414
		<b>1,310,437</b>	<b>2,627,127</b>	<b>1,444,716</b>	<b>3,125,120</b>
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in Naira per share):					
<b>Basic Earnings Per Share</b>					
From continuing operations	6	39	78	41	89
From discontinued operations	6	-	-	-	-
From profit for the period		39	78	41	89
<b>Diluted Earnings Per Share</b>					
From continuing operations	6	39	78	41	89
From discontinued operations	6	-	-	-	-
From profit for the period		39	78	41	89
i.) In line with IFRS 5, Warm Spring Waters Nigeria Ltd has been re-consolidated as it's no longer meets the IFRS criteria for classification as held-for-sale. Comparative figures for 2015 were adjusted.					
ii.) For purpose of proper comparison, the H1 2015 Impairment of UPDC Plc's N2.08 billion investment in UPDC Hotels Ltd has been updated to align with 2015 year-end audit treatment					

**UAC of Nigeria Plc**

**Consolidated Statement of Financial Position**  
**As at 30th June 2016**

	Notes	<b>The Group</b>		
		<b>30 Jun 16 N'ooo</b>	<b>31 Dec 15 N'ooo</b>	<b>31 Dec 14 N'ooo</b>
<b>Assets</b>			<b>Re-presented</b>	<b>Re-presented</b>
<b>Non-current assets</b>				
Property, plant and equipment	7	35,410,543	36,100,036	37,288,383
Intangible assets and goodwill	8	1,806,040	1,862,646	1,842,452
Investment property	9	19,307,568	20,035,327	19,924,421
Investments in associates and joint ventures	11	21,197,867	21,197,867	19,100,575
Available-for-sale financial assets	10	19,308	19,308	12,312
Prepayment	14	13,402	10,789	25,032
Deferred tax asset		174,432	231,652	202,610
		77,929,159	79,457,625	78,395,786
<b>Current assets</b>				
Inventories	12	27,575,062	25,328,868	27,855,738
Trade and other receivables	14	17,180,294	14,656,437	16,001,084
Cash and Cash equivalents (excluding bank overdrafts)	15	9,236,099	9,212,399	8,108,053
		53,991,455	49,197,703	51,964,875
<b>Total assets</b>		<b>131,920,614</b>	<b>128,655,328</b>	<b>130,360,660</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	16	7,052,880	8,125,644	7,737,406
Deferred tax liabilities		5,035,340	5,048,083	5,568,609
Deferred revenue	18	26,339	15,751	214,085
Provisions	19	144,166	133,600	132,065
		12,258,726	13,323,078	13,652,166
<b>Current liabilities</b>				
Trade and other payables	17	16,254,279	15,035,800	14,119,869
Current income tax liabilities		4,094,274	4,749,821	4,481,335
Bank overdrafts and current portion of borrowings	16	21,548,168	17,522,548	20,557,739
Dividend payable		3,557,285	3,574,697	2,379,061
Deferred revenue	18	378,280	307,361	92,759
		45,832,286	41,190,227	41,630,763
<b>Total liabilities</b>		<b>58,091,012</b>	<b>54,513,304</b>	<b>55,282,929</b>
<b>Equity</b>				
Ordinary share capital	20	960,432	960,432	960,432
Share premium	20	3,934,536	3,934,536	3,934,536
Contingency reserve	20	28,575	28,575	28,575
Available-for-sale reserve		(5,504)	(5,504)	(3,792)
Retained earnings		39,244,596	39,670,420	40,048,438
<b>Equity attributable to equity holders of the Company</b>		44,162,635	44,588,460	44,968,190
<b>Non controlling interests</b>		29,666,967	29,553,564	30,109,541
<b>Total equity</b>		<b>73,829,602</b>	<b>74,142,024</b>	<b>75,077,731</b>
<b>Total equity and liabilities</b>		<b>131,920,614</b>	<b>128,655,328</b>	<b>130,360,660</b>

The financial statements and the notes on pages 5 to 20 were approved and authorised before issue by the board of directors on 27 July, 2016 and were signed on its behalf by:

Mr Larry E. Ettah

GMD/CE(FRC/2013/IODN/oooooooo2692

Mr. Abdul A. Bello

ED/CFO(FRC/2013/ICAN/oooooooo724

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

UAC of Nigeria Plc  
 Consolidated Statement of Changes in Equity  
 for the period ended 30th June 2016

	The Group							Non controlling Interest N'ooo	Total N'ooo		
	Attributable to owners of the Company						Total N'ooo				
	Share Capital N'ooo	Share Premium N'ooo	Contingency reserve N'ooo	Available for sale Reserve N'ooo	Retained Earnings N'ooo						
<b>Balance at 1 January 2016</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(5,504)</b>	<b>39,670,420</b>	<b>44,588,460</b>	<b>29,553,564</b>	<b>74,142,024</b>			
Profit and loss	-	-	-		1,495,040	1,495,040	1,132,087	2,627,127			
<b>Transactions with Equity holders</b>											
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(1,018,685)	(2,939,549)			
<b>Balance at 30 June 2016</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(5,504)</b>	<b>39,244,596</b>	<b>44,162,635</b>	<b>29,666,967</b>	<b>73,829,602</b>			

	The Group							Non controlling Interest N'ooo	Total N'ooo		
	Attributable to owners of the Company						Total N'ooo				
	Share Capital N'ooo	Share Premium N'ooo	Contingency reserve N'ooo	Available for sale Reserve N'ooo	Retained Earnings N'ooo						
<b>Balance at 1 January 2015</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(3,792)</b>	<b>40,048,438</b>	<b>44,968,190</b>	<b>30,109,541</b>	<b>75,077,731</b>			
Profit and loss	-	-	-	-	1,716,706	1,716,706	1,408,414	3,125,120			
<b>Transactions with Equity holders</b>											
Dividends	-	-	-	-	-	-	(992,057)	(992,057)			
<b>Balance at 30 June 2015</b>	<b>960,432</b>	<b>3,934,536</b>	<b>28,575</b>	<b>(3,792)</b>	<b>41,765,144</b>	<b>46,684,896</b>	<b>30,525,868</b>	<b>77,210,794</b>			

**UAC of Nigeria Plc**

**Consolidated statement of cash flow  
for the period ended 30th June 2016**

	Notes	<b>The Group</b>	
		<b>30 Jun 16 N'000</b>	<b>30 Jun 15 N'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	21	2,492,574	4,299,770
Corporate tax paid		(1,205,403)	(1,266,103)
VAT paid		(211,898)	(195,417)
Interest paid		(993,717)	(1,394,541)
<b>Net cash flow generated from/(used in) operating activities</b>		<b>81,556</b>	<b>1,443,709</b>
<b>Cash flows from investing activities</b>			
Interest received		628,049	687,128
Purchase of Intangible assets		(31,495)	(150,062)
Purchase of property, plant and equipment		(695,857)	(1,173,716)
Proceeds from sale of property, plant and equipment		174,261	254,921
Purchase of investment properties		(19,741)	(2,132)
Income Distribution from UPDC REIT		-	507,000
Recovery of previously impaired loan		10,000	110,000
Payment for additional shares acquired-Portland Paints Plc		(109,883)	-
<b>Net cash generated from investing activities</b>		<b>(42,167)</b>	<b>233,140</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non controlling interests		(1,018,685)	(992,057)
Dividends paid to Company shareholders		(1,920,864)	-
Loan ( Repayments)/Addition		(1,072,763)	1,085,122
Increase/(Decrease) in commercial papers		4,534,308	(2,362,741)
<b>Net cash flow used in financing activities</b>		<b>521,996</b>	<b>(2,269,676)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>561,385</b>	<b>(592,827)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>7,374,776</b>	<b>5,832,402</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	15(i)	<b>7,936,161</b>	<b>5,239,576</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 2015.

**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 2015.

**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 2015. 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 executive directors 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:

**Food and Beverage** - Made up of business units involved in the manufacturing and sales of food items, livestock feeds, bottled water, fruit juices, ice-cream and quick service restaurants.

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

**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 and management and owners of Golden Tulip Hotels, 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

	Food and Beverages N'ooo	Paints N'ooo	Logistics N'ooo	Real Estate N'ooo	Others N'ooo	Total N'ooo
<b>30 June 2016</b>						
Total Revenue	28,631,318	4,312,683	2,605,390	1,746,569	517,571	<b>37,813,530</b>
Intergroup revenue	(460,066)	(13,905)	(111,929)	(93,214)	(331,458)	<b>(1,010,572)</b>
Revenue to third parties	<b>28,171,251</b>	<b>4,298,777</b>	<b>2,493,461</b>	<b>1,653,355</b>	<b>186,113</b>	<b>36,802,958</b>
Operating profit	2,161,036	1,079,015	544,318	(212,893)	(242,731)	<b>3,328,746</b>
Profit before tax	1,652,031	1,080,994	624,339	122,244	453,662	<b>3,933,269</b>
Share of profit of associates and joint venture	-	-	-	970,191	-	<b>970,191</b>
Property, plant and equipment	17,221,815	1,300,636	3,635,407	12,419,964	832,722	<b>35,410,543</b>
Net assets	16,978,838	2,081,501	5,329,623	35,608,445	13,831,196	<b>73,829,602</b>

	Food and Beverages N'ooo	Paints N'ooo	Logistics N'ooo	Real Estate N'ooo	Other N'ooo	Total N'ooo
<b>30 June 2015</b>						
Total Revenue	27,191,456	4,862,603	2,374,864	3,497,411	504,616	<b>38,430,950</b>
Intergroup revenue	27,508	28,874	272,655	68,132	326,212	<b>723,381</b>
Revenue to third parties	<b>27,163,948</b>	<b>4,833,729</b>	<b>2,102,209</b>	<b>3,429,279</b>	<b>178,404</b>	<b>37,707,568</b>
Operating profit	2,113,650	1,265,940	551,904	200,412	(394,143)	<b>3,737,763</b>
Profit before tax	1,444,249	1,316,710	607,745	504,668	362,304	<b>4,235,676</b>
Share of profit of associates and joint venture	-	-	-	1,205,325	-	<b>1,205,325</b>
Property, plant and equipment	15,955,810	891,786	3,534,206	13,232,489	2,485,745	<b>36,100,037</b>
Net assets	18,231,786	2,391,965	4,693,857	34,475,210	14,349,206	<b>74,142,025</b>

#### Entity wide information

Analysis of revenue by category:

Sale of goods

Revenue from services

<b>30 Jun 2016</b> N'ooo	<b>30 Jun 2015</b> N'ooo
34,123,384	35,605,359
2,679,574	2,102,209
<b>36,802,958</b>	<b>37,707,568</b>

Analysis of revenue by geographical location:

Nigeria

<b>30 Jun 2016</b> N'ooo	<b>30 Jun 2015</b> N'ooo
<b>36,802,958</b>	<b>37,707,568</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 Consolidated financial statements**  
**for the period ended 30th June 2016**

**4. Other Gains**

	<b>The Group</b>	
	<b>30 Jun 2016</b> <b>N'ooo</b>	<b>30 Jun 2015</b> <b>N'ooo</b>
Profit on sales of Property,Plant and Equipment	8,849	15,811
Profit on sales of Investment Property	3,611	-
Recovery of previously impaired loan	10,000	110,000
Gains on government grant*	91,820	119,718
Other trading income	399,548	274,884
<b>Total other Gains</b>	<b>513,827</b>	<b>520,413</b>

**\*Gains on government grant**

The government grant of **N92 million** (At June 2015 : **N120 million**) 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.

**4(i). Other Losses**

	<b>The Group</b>	
	<b>30 Jun 2016</b> <b>N'ooo</b>	<b>30 Jun 2015</b> <b>N'ooo</b>
Loss on sales of Property,Plant and Equipment	(19,450)	(8,503)
Loss on sales of Investment Property	(29,000)	-
<b>Total other Losses</b>	<b>(48,450)</b>	<b>(8,503)</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

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

	<b>The Group</b>	
	<b>30 Jun 2016</b> N'000	<b>30 Jun 2015</b> N'000
Interest income on short-term bank deposits	628,049	687,128
<b>Finance Income</b>	<b>628,049</b>	<b>687,128</b>
Interest on bank loans	700,725	1,023,734
Interest on bank overdraft	191,354	234,302
Interest on government grant	101,638	136,505
<b>Finance Costs</b>	<b>993,716</b>	<b>1,394,541</b>
<b>Net finance (cost) / income</b>	<b>(365,667)</b>	<b>(707,412)</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**6. 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>2016</b>	<b>2015</b>
	N'000	N'000
<b>Profit attributable to ordinary equity shareholders:</b>		
Profit from continuing operations	1,495,040	1,716,706
Profit from discontinued operations	-	-
	<b>1,495,040</b>	<b>1,716,706</b>
<b>Basic earnings per share</b>		
From continuing operations	78	89
From discontinued operations	-	-
From profit for the period	<b>78</b>	<b>89</b>
<b>Diluted earnings per share</b>		
From continuing operations	78	89
From discontinued operations	-	-
From profit for the period	<b>78</b>	<b>89</b>

Basic weighted average and Diluted weighted average number of shares (ooo)

*(b) Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group has no dilutive instruments.

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**7. 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'ooo	N'ooo	N'ooo	N'ooo	N'ooo	N'ooo	N'ooo
At 1 January 2015	24,339,363	18,223,752	539,954	4,786,976	2,753,307	2,616,027	53,259,380
Additions	83,516	223,173	85,929	288,011	80,955	1,047,110	1,808,693
Disposals	-	(455,805)	(17,599)	(768,833)	(90,420)	(3,735)	(1,336,392)
Transfers	-	3,238	(475)	(2,169)	8,019	(8,397)	216
Write Off	-	(1,413)	(1,609)	(206)	-	-	(3,228)
Reclassifications	743,408	(54,993)	373,198	201,304	(86,139)	(1,176,779)	-0
Other reclassifications	-	285	533	5,510	210	-	6,537
<b>At 31 December 2015</b>	<b>25,166,287</b>	<b>17,938,237</b>	<b>979,930</b>	<b>4,510,594</b>	<b>2,665,931</b>	<b>2,474,226</b>	<b>53,735,205</b>
At 1 January 2016	25,166,287	17,938,237	979,930	4,510,594	2,665,931	2,474,226	53,735,205
Additions	98,264	138,881	46,399	212,887	22,369	177,058	695,857
Disposals	-	(259,963)	(2,224)	(458,564)	(4,251)	(716)	(725,719)
Transfers	-	3,804	(154)	(6,930)	(44)	-	(3,323)
Write Off	-	(20,029)	(5,217)	-	(4,363)	-	(29,609)
Reclassifications	205,510	13,447	8,474	70,875	200	(298,506)	-
Other reclassifications	476	9,871	-	-	123	36,138	46,608
Adjustments	-	(6,011)	-	-	-	-	(6,011)
<b>At 30 June 2016</b>	<b>25,470,538</b>	<b>17,818,237</b>	<b>1,027,208</b>	<b>4,328,862</b>	<b>2,679,964</b>	<b>2,388,200</b>	<b>53,713,009</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2015	2,762,013	7,483,936	343,042	3,349,759	2,046,952	-	15,985,701
Charge for the year	365,122	1,125,741	85,430	473,022	299,218	-	2,348,533
Impairment charge	453,173	37,233	12	117	7,806	-	498,341
Disposals	-	(449,359)	(16,641)	(651,596)	(79,494)	-	(1,197,090)
Transfers	-	-	(474)	(2,081)	-	-	(2,555)
Write Off	-	-	(24)	(21)	-	-	(45)
Reclassifications	194,474	(268,226)	210,394	(10,686)	(125,955)	-	-
Other reclassifications	(863)	77	433	2,468	171	-	2,286
<b>At 31 December 2015</b>	<b>3,773,918</b>	<b>7,929,402</b>	<b>622,173</b>	<b>3,160,981</b>	<b>2,148,697</b>	<b>-</b>	<b>17,635,171</b>
At 1 January 2016	3,773,918	7,929,402	622,173	3,160,981	2,148,697	-	17,635,171
Charge for the year	289,955	621,624	82,411	209,250	64,348	-	1,267,588
Disposals	-	(209,389)	(1,952)	(344,664)	(3,679)	-	(559,685)
Transfers	-	-	(297)	(13,209)	-	-	(13,506)
Write Off	-	(17,587)	(5,213)	-	(4,301)	-	(27,102)
<b>At 30 June 2016</b>	<b>4,063,872</b>	<b>8,324,049</b>	<b>697,120</b>	<b>3,012,359</b>	<b>2,205,065</b>	<b>-</b>	<b>18,302,466</b>
Net book values:							
<b>At 30 June 2016</b>	<b>21,406,666</b>	<b>9,494,188</b>	<b>330,087</b>	<b>1,316,503</b>	<b>474,899</b>	<b>2,388,200</b>	<b>35,410,543</b>
<b>At 31 December 2015</b>	<b>21,392,370</b>	<b>10,008,835</b>	<b>357,757</b>	<b>1,349,612</b>	<b>517,234</b>	<b>2,474,226</b>	<b>36,100,036</b>

**UAC of Nigeria Plc**

**Notes to the Consolidated financial statements  
for the period ended 30th June 2016**

**8. Intangible assets and goodwill**

Cost	Group			
	Goodwill N'ooo	Brands & Trade Marks N'ooo	Software N'ooo	Total N'ooo
At 1 January 2015	548,747	1,070,185	905,788	2,524,720
Additions - externally acquired during the year	-	-	174,077	174,077
Transfer from PPE	-	-	(7,362)	(7,362)
<b>At 31 December 2015</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,072,503</b>	<b>2,691,435</b>
At 1 January 2016	548,747	1,070,185	1,072,503	2,691,435
Additions - externally acquired during the year	-	-	31,495	31,495
<b>At 30 June 2016</b>	<b>548,747</b>	<b>1,070,185</b>	<b>1,103,998</b>	<b>2,722,930</b>
Accumulated amortisation and impairment				
At 31 December 2015	-	288,439	393,828	682,268
Amortisation for the year	-	-	146,521	146,521
<b>At 31 December 2015</b>	<b>-</b>	<b>288,439</b>	<b>540,349</b>	<b>828,788</b>
At 1 January 2016	-	288,439	540,349	828,788
Amortisation for the period	-	-	88,102	88,102
<b>At 30 June 2016</b>	<b>-</b>	<b>288,439</b>	<b>628,451</b>	<b>916,890</b>
Net book values				
<b>At 30 June 2016</b>	<b>548,747</b>	<b>781,746</b>	<b>475,547</b>	<b>1,806,040</b>
<b>At 31 December 2015</b>	<b>548,747</b>	<b>781,746</b>	<b>532,154</b>	<b>1,862,646</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**9. Investment property**

	<b>The Group</b>			
	<b>Freehold building N'ooo</b>	<b>Leasehold building N'ooo</b>	<b>Total investment properties N'ooo</b>	
<b>Fair value</b>				
At 1 January 2015	708,898	19,215,524	19,924,422	
Additions during the year	-	54,377	54,377	
Reclassification from property stocks held as inventories (Note 13)	-	260,000	260,000	
Disposals	-	(276,365)	(276,365)	
Net gain from fair value adjustments on investment property	11,837	61,056	72,893	
<b>At 31 December 2015</b>	<b>720,735</b>	<b>19,314,592</b>	<b>20,035,327</b>	
At 1 January 2016	720,735	19,314,592	20,035,327	
Additions during the period	-	19,741	19,741	
Disposals	-	(2,500)	(2,500)	
Net gain from fair value adjustments on investment property	-	(745,000)	(745,000)	
<b>At 30 June 2016</b>	<b>720,735</b>	<b>18,586,833</b>	<b>19,307,568</b>	
Fair value of investment properties is categorised as follows:				
	<b>30-Jun-16</b>	<b>Freehold building N'ooo</b>	<b>Leasehold building N'ooo</b>	<b>Total investment properties N'ooo</b>
External valuation		720,735	18,586,833	19,307,568
		<b>720,735</b>	<b>18,586,833</b>	<b>19,307,568</b>
Fair value of investment properties is categorised as follows:				
	<b>31-Dec-15</b>	<b>Freehold building N'ooo</b>	<b>Leasehold building N'ooo</b>	<b>Total investment properties N'ooo</b>
External valuation		720,735	19,314,592	20,035,327
		<b>720,735</b>	<b>19,314,592</b>	<b>20,035,327</b>
The Group's investment properties were revalued at 31 December 2015 by an independent professionally qualified valuer who holds recognised relevant professional qualifications and has recent experience in the locations and categories of the investment properties valued. The latest valuation was performed by the external Surveyor-Messrs Steve Akhigbemidu & Co. (FRC/2013/NIESV/oooooooo01442).				
Internal and inter-group valuation are performed by UAC Property Development Company Plc who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.				

**UAC of Nigeria Plc****Notes to the Consolidated financial statements  
for the period ended 30th June 2016****10. Available for Sale financial assets***The details and carrying amount of available for sale financial assets are as follows:*

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Opening Balance as at 1 January	19,308	22,312
Fair value Loss on available-for-sale financial assets	-	(3,004)
	<b>19,308</b>	<b>19,308</b>

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

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
UPDC's Investment in UPDC REIT	19,109,799	19,109,799
UPDC Metro City Limited	244,170	244,170
First Festival Mall Limited	234,427	234,427
James Pinnock JV	1,535,865	1,535,865
Transit Village Dev. Co. Ltd	73,606	73,606
<b>At 30 June</b>	<b>21,197,867</b>	<b>21,197,867</b>

The UPDC Real Estate Investment Trust (REIT) is a close-ended real estate investment trust which is listed on the Nigerian Stock Exchange. As at 31 December 2015, the fair value of each unit holders' contribution is N10.

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**11(i) Share of net profit of Associates using the equity method**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
<b>Share of profit in REIT</b>	<b>970,191</b>	<b>1,205,325</b>

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. Five (5) major investment properties were transferred to the UPDC REIT namely Abebe Court Ikoyi, Victoria Mall Plaza (VMP), residential and office block, Victoria Island, UACN commercial complex Abuja and MDS warehouse at Aba. The REIT's income comprises of rental income from these investment properties and interest income from investment in money market instruments and other real estate's related assets. UPDC held 61.5% of the real fund at 31 December 2015. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the Quarter ended 30 June 2016.

**12. Inventories**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Raw materials and consumables	11,471,117	10,452,015
Technical stocks and spares	1,275,636	1,232,933
Properties under construction (note 13)	13,407,230	12,166,714
Finished goods and goods for resale	1,421,080	1,477,206
	<b>27,575,062</b>	<b>25,328,867</b>

**13. Properties under construction included in inventories**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Cost/Valuation		
Balance 1 January	12,166,714	9,489,183
Additions	1,971,072	5,896,842
Disposals	(759,136)	(3,178,378)
Reclassification as investment properties (Note 9)	-	(260,000)
Provision for Maitama Land	-	(5,423)
Unrealised gain on transfer of asset	28,580	224,489
<b>Balance 30 June</b>	<b>13,407,230</b>	<b>12,166,714</b>

**14. Trade and other receivables**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Receivables due within one year		
Trade receivables	5,415,522	5,397,726
Less: allowance for impairment of trade receivables	(1,848,679)	(1,755,065)
<b>Net trade receivables</b>	<b>3,566,843</b>	<b>3,642,661</b>
Other receivables	9,650,088	7,666,104
Advance payments	1,249,316	1,063,027
WHT receivable	808,802	796,188
Prepayments - staff grants	372,539	271,983
Prepayments- Other	1,532,706	1,216,474
	<b>17,180,293</b>	<b>14,656,437</b>

**14. Trade and other receivables (Continued)**

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.

<b>The Group</b>		
	<b>2016</b> N'ooo	<b>2015</b> N'ooo
Prepayments - Current	1,905,245	1,488,457
Prepayments - Non-current	13,402	10,789
<b>Total prepayments</b>	<b>1,918,647</b>	<b>1,499,246</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:

<b>The Group</b>		
	<b>2016</b> N'ooo	<b>2015</b> N'ooo
At 1 January	1,750,181	1,680,892
Allowance for receivables impairment	93,614	69,289
<b>30 June</b>	<b>1,843,795</b>	<b>1,750,181</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**15. Cash and cash equivalents**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Cash at bank and in hand	1,556,000	1,407,997
Short-term deposits	7,680,099	7,804,402
<b>Cash and short-term deposits</b>	<b>9,236,099</b>	<b>9,212,399</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 **N2.1b** which represents unclaimed dividends received from Africa Prudential Registrars as at June 2016.

**(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>2016</b> N'000	<b>2015</b> N'000
Cash and short-term deposits	9,236,099	9,212,399
Bank Overdrafts (Note 16)	(1,299,938)	(1,808,626)
<b>Balances per statement of cash flow</b>	<b>7,936,161</b>	<b>7,403,773</b>

**16. Borrowings**

	<b>The Group</b>	
	2016 N'000	2015 N'000
<b>Current borrowings</b>		
Overdrafts due within one year	1,299,938	1,808,626
Commercial papers due within one year	20,248,230	15,713,922
	<b>21,548,168</b>	<b>17,522,548</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	7,052,880	8,125,644
<b>Total borrowings</b>	<b>28,601,049</b>	<b>25,648,191</b>

**16. Borrowings (Continued)**

The borrowings are repayable as follows:

	<b>The Group</b>	
	2016 N'000	2015 N'000
Within one year	21,548,168	17,522,548
Between one to two years	-	-
Between two to three years	6,969,842	7,888,237
More than three years	83,039	237,407
	<b>28,601,049</b>	<b>25,648,191</b>

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

<b>Group</b>	<b>Amount due</b>	
	2016 N'000	2015 N'000
<b>Details of the loan maturities due after one year are as follows:</b>		
<b>Facility</b>		
Grand Cereals Ltd - Stanbic IBTC	1,814,815	1,592,593
PPPNP-Bank of Industry	83,039	133,811
	<b>1,897,854</b>	<b>1,726,404</b>
Term Loan:		
UPDC - Guaranty Trust Bank	2,488,360	2,976,720
UPDC - First Securities Discount House	2,666,667	3,422,519
	<b>7,052,880</b>	<b>8,125,644</b>

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**17. Trade and other payables**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
Trade payables	4,387,616	5,985,972
	<b>4,387,616</b>	<b>5,985,972</b>
Provision for employee leave	16,885	35,414
Other payables	6,163,287	4,244,798
Income received in advance	1,209,362	1,026,462
Accruals	4,477,129	3,743,154
<b>Total</b>	<b>16,254,279</b>	<b>15,035,800</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 and accruals are non-interest bearing and have an average term of six months.

Income received in advance are deposits or down-payments received from customers for products.

**18. Deferred revenue**

	<b>The Group</b>	
	<b>2016</b> N'000	<b>2015</b> N'000
<b>At 1 January</b>	<b>323,112</b>	<b>306,844</b>
Deferred during the period	423,379	717,446
Released to the statement of profit or loss	(341,871)	(701,178)
<b>At 30 June</b>	<b>404,620</b>	<b>323,112</b>
Current	378,280	307,361
Non-current	26,339	15,751

Deferred revenue are rentals received in advance which are recognized 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.

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**19. Provisions**

<b>Group</b>	<b>Contingent Liabilities</b>	<b>Legal claim</b>	<b>Decommissioning liability</b>	<b>Total N'ooo</b>
	<b>N'ooo</b>	<b>N'ooo</b>	<b>N'ooo</b>	
At 1 January 2016	50,000	60,023	23,578	133,601
Unwinding of discount	-	-	-	-
Derecognised Liabilities	-	-	-	-
Arising during the period	-	10,565	-	10,565
<b>30 June 2016</b>	<b>50,000</b>	<b>70,588</b>	<b>23,578</b>	<b>144,166</b>
Current	-	-	-	-
Non-current	50,000	70,588	23,578	144,166
At 1 January 2015	50,000	57,947	24,118	132,065
Unwinding of discount	-	-	3,040	3,040
Derecognised Liabilities	-	-	(3,580)	(3,580)
Arising during the year	-	2,076	-	2,076
<b>31 December 2015</b>	<b>50,000</b>	<b>60,023</b>	<b>23,578</b>	<b>133,601</b>
Current	-	-	-	-
Non-current	50,000	60,023	23,578	133,601

*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.

*Legal claim*

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.

*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. The discount rate for the unwinding of the discount on the liability was determined using the "Capital Asset Pricing Model".

**UAC of Nigeria Plc**  
**Notes to the Consolidated financial statements**  
**for the period ended 30th June 2016**

**20. Share Capital**

Group and Company

	2016	
	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	1,920,864	960,432
<b>Total called up share capital</b>	<b>1,920,864</b>	<b>960,432</b>
<b>Movements during the period:</b>		
	Group and Company	
	Number of shares 000	Ordinary shares =N='000
<b>At 31 December 2015</b>	<b>1,920,864</b>	<b>960,432</b>
Capitalised during the period	-	-
<b>At 30 June 2016</b>	<b>1,920,864</b>	<b>960,432</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).

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

	Group	
	2016 N'000	2015 N'000
<b>Profit before tax</b>	3,933,269	4,235,676
Adjustment for net finance (income)/costs	365,668	707,412
<b>Operating profit</b>	<b>4,298,937</b>	<b>4,943,088</b>
Amortisation of intangible assets	88,102	83,779
Share of associate's profit	(970,191)	(1,205,325)
Depreciation	1,267,588	1,210,636
Profit or Loss on sale of tangible PPE	10,602	(6,205)
Loss on sale of Investment Properties	29,000	-
<b>Operating cash flows before movements in</b>	<b>4,724,037</b>	<b>5,025,973</b>
Movements in working capital:		
Inventories	(2,246,195)	1,746,582
Trade and other receivables	(2,523,857)	(5,131,411)
Trade and other payables	2,485,387	1,958,664
<b>Net cash from/(used in) operations - continuing operations</b>	<b>2,449,938</b>	<b>3,599,808</b>
Trade and other receivables	65,135	819,188
Trade and other payables	(22,500)	(119,226)
<b>Net cash from/(used in) operations - discontinued operations</b>	<b>42,635</b>	<b>699,962</b>
<b>Net cash from/(used in) operations</b>	<b>2,492,574</b>	<b>4,299,770</b>