



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

Note		Page
	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	The Group			
		3 months to June 2016 N'000	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
Continuing Operations					
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)
Gross profit		4,187,078	8,164,162	4,339,808	8,525,879
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)
Operating profit		1,666,030	3,328,745	1,697,925	3,737,763
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
Profit before tax from continuing operations		2,169,871	3,933,269	1,935,303	4,235,676
Income Tax Expense		(859,434)	(1,306,142)	(490,586)	(1,110,555)
Profit for the period		1,310,437	2,627,127	1,444,716	3,125,121
Profit attributable to:					
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
		1,310,437	2,627,127	1,444,716	3,125,120
Total comprehensive income attributable to:					
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
		1,310,437	2,627,127	1,444,716	3,125,120
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in Naira per share):					
Basic Earnings Per Share					
From continuing operations	6	39	78	41	89
From discontinued operations	6	-	-	-	-
From profit for the period		39	78	41	89
Diluted Earnings Per Share					
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	The Group		
		30 Jun 16 N'000	31 Dec 15 N'000	31 Dec 14 N'000
			Re-presented	Re-presented
Assets				
Non-current assets				
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
Current assets				
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
Total assets		131,920,614	128,655,328	130,360,660
Liabilities				
Non-current liabilities				
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
Current liabilities				
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
Total liabilities		58,091,012	54,513,304	55,282,929
Equity				
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
Equity attributable to equity holders of the Company		44,162,635	44,588,460	44,968,190
Non controlling interests		29,666,967	29,553,564	30,109,541
Total equity		73,829,602	74,142,024	75,077,731
Total equity and liabilities		131,920,614	128,655,328	130,360,660

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/0000002692

Mr. Abdul A. Bello

ED/CFO FRC/2013/ICAN/000000724

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							
	Attributable to owners of the Company						Non controlling Interest N'000	Total N'000
	Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for sale Reserve N'000	Retained Earnings N'000	Total N'000		
Balance at 1 January 2016	960,432	3,934,536	28,575	(5,504)	39,670,420	44,588,460	29,553,564	74,142,024
Profit and loss	-	-	-	-	1,495,040	1,495,040	1,132,087	2,627,127
Transactions with Equity holders	-	-	-	-	(1,920,864)	(1,920,864)	(1,018,685)	(2,939,549)
Dividends	-	-	-	-	(1,920,864)	(1,920,864)	(1,018,685)	(2,939,549)
Balance at 30 June 2016	960,432	3,934,536	28,575	(5,504)	39,244,596	44,162,635	29,666,967	73,829,602

	The Group							
	Attributable to owners of the Company						Non controlling Interest N'000	Total N'000
	Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for sale Reserve N'000	Retained Earnings N'000	Total N'000		
Balance at 1 January 2015	960,432	3,934,536	28,575	(3,792)	40,048,438	44,968,190	30,109,541	75,077,731
Profit and loss	-	-	-	-	1,716,706	1,716,706	1,408,414	3,125,120
Transactions with Equity holders	-	-	-	-	-	-	(992,057)	(992,057)
Dividends	-	-	-	-	-	-	(992,057)	(992,057)
Balance at 30 June 2015	960,432	3,934,536	28,575	(3,792)	41,765,144	46,684,896	30,525,898	77,210,794

UAC of Nigeria Plc			
Consolidated statement of cash flow for the period ended 30th June 2016			
		The Group	
	Notes	30 Jun 16 N'000	30 Jun 15 N'000
Cash flows from operating activities			
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)
Net cash flow generated from/(used in) operating activities		81,556	1,443,709
Cash flows from investing activities			
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)	-
Net cash generated from investing activities		(42,167)	233,140
Cash flows from financing activities			
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)
Net cash flow used in financing activities		521,996	(2,269,676)
Net increase/(decrease) in cash & cash equivalents		561,385	(592,827)
Cash & cash equivalents at the beginning of the year		7,374,776	5,832,402
Cash & cash equivalents at the end of the period after adjusting for bank overdraft	15(i)	7,936,161	5,239,576

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.

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

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	Paints	Logistics	Real Estate	Others	Total
30 June 2016	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	28,631,318	4,312,683	2,605,390	1,746,569	517,571	37,813,530
Intergroup revenue	(460,066)	(13,905)	(111,929)	(93,214)	(331,458)	(1,010,572)
Revenue to third parties	28,171,251	4,298,777	2,493,461	1,653,355	186,113	36,802,958
Operating profit	2,161,036	1,079,015	544,318	(212,893)	(242,731)	3,328,746
Profit before tax	1,652,031	1,080,994	624,339	122,244	453,662	3,933,269
Share of profit of associates and joint venture	-	-	-	970,191	-	970,191
Property, plant and equipment	17,221,815	1,300,636	3,635,407	12,419,964	832,722	35,410,543
Net assets	16,978,838	2,081,501	5,329,623	35,608,445	13,831,196	73,829,602

	Food and Beverages	Paints	Logistics	Real Estate	Other	Total
30 June 2015	N'000	N'000	N'000	N'000	N'000	N'000
Total Revenue	27,191,456	4,862,603	2,374,864	3,497,411	504,616	38,430,950
Intergroup revenue	27,508	28,874	272,655	68,132	326,212	723,381
Revenue to third parties	27,163,948	4,833,729	2,102,209	3,429,279	178,404	37,707,568
Operating profit	2,113,650	1,265,940	551,904	200,412	(394,143)	3,737,763
Profit before tax	1,444,249	1,316,710	607,745	504,668	362,304	4,235,676
Share of profit of associates and joint venture	-	-	-	1,205,325	-	1,205,325
Property, plant and equipment	15,955,810	891,786	3,534,206	13,232,489	2,485,745	36,100,037
Net assets	18,231,786	2,391,965	4,693,857	34,475,210	14,349,206	74,142,025

Entity wide information

Analysis of revenue by category:

Sale of goods

Revenue from services

30 Jun 2016	30 Jun 2015
N'000	N'000
34,123,384	35,605,359
2,679,574	2,102,209
36,802,958	37,707,568

Analysis of revenue by geographical location:

Nigeria

30 Jun 2016	30 Jun 2015
N'000	N'000
36,802,958	37,707,568
36,802,958	37,707,568

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

	The Group	
	30 Jun 2016	30 Jun 2015
	N'000	N'000
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
Total other Gains	513,827	520,413

***Gains on government grant**

The government grant of **Ng2 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

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

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

5. Net finance income/(cost)

	The Group	
	30 Jun 2016	30 Jun 2015
	N'000	N'000
Interest income on short-term bank deposits	628,049	687,128
Finance Income	628,049	687,128
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
Finance Costs	993,716	1,394,541
Net finance (cost) / income	(365,667)	(707,412)

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.

	The Group	
	2016	2015
	N'000	N'000
Profit attributable to ordinary equity shareholders:		
Profit from continuing operations	1,495,040	1,716,706
Profit from discontinued operations	-	-
	1,495,040	1,716,706
Basic earnings per share		
From continuing operations	78	89
From discontinued operations	-	-
From profit for the period	78	89
Diluted earnings per share		
From continuing operations	78	89
From discontinued operations	-	-
From profit for the period	78	89

Basic weighted average and Diluted weighted average number of shares (000)

(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

Cost:	Leasehold land and buildings	Plant and Machinery	Computer Equipment	Motor Vehicles	Office Furniture	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 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
At 31 December 2015	25,166,287	17,938,237	979,930	4,510,594	2,665,931	2,474,226	53,735,205
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)
At 30 June 2016	25,470,538	17,818,237	1,027,208	4,328,862	2,679,964	2,388,200	53,713,009
Accumulated depreciation and impairment							
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
At 31 December 2015	3,773,918	7,929,402	622,173	3,160,981	2,148,697	-	17,635,171
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)
At 30 June 2016	4,063,872	8,324,049	697,120	3,012,359	2,205,065	-	18,302,466
Net book values:							
At 30 June 2016	21,406,666	9,494,188	330,087	1,316,503	474,899	2,388,200	35,410,543
At 31 December 2015	21,392,370	10,008,835	357,757	1,349,612	517,234	2,474,226	36,100,036

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

8. Intangible assets and goodwill

Group				
Cost	Goodwill N'000	Brands & Trade Marks N'000	Software N'000	Total N'000
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)
At 31 December 2015	548,747	1,070,185	1,072,503	2,691,435
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
At 30 June 2016	548,747	1,070,185	1,103,998	2,722,930
Accumulated amortisation and impairment				
At 31 December 2015	-	288,439	393,828	682,268
Amortisation for the year	-	-	146,521	146,521
At 31 December 2015	-	288,439	540,349	828,788
At 1 January 2016	-	288,439	540,349	828,788
Amortisation for the period	-	-	88,102	88,102
At 30 June 2016	-	288,439	628,451	916,890
Net book values				
At 30 June 2016	548,747	781,746	475,547	1,806,040
At 31 December 2015	548,747	781,746	532,154	1,862,646

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

9. Investment property

Fair value	The Group		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
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
At 31 December 2015	720,735	19,314,592	20,035,327
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)
At 30 June 2016	720,735	18,586,833	19,307,568

Fair value of investment properties is categorised as follows:

	30-Jun-16	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation		720,735	18,586,833	19,307,568
		<u>720,735</u>	<u>18,586,833</u>	<u>19,307,568</u>

Fair value of investment properties is categorised as follows:

	31-Dec-15	The Group		
		Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation		720,735	19,314,592	20,035,327
		<u>720,735</u>	<u>19,314,592</u>	<u>20,035,327</u>

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/000000001442).

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:

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

11. Investments in associates and equity accounted joint ventures

	The Group	
	2016 N'000	2015 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
At 30 June	21,197,867	21,197,867

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

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

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

	The Group	
	2016 N'000	2015 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
	27,575,062	25,328,867

13. Properties under construction included in inventories

	The Group	
	2016 N'000	2015 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
Balance 30 June	13,407,230	12,166,714

14. Trade and other receivables

	The Group	
	2016 N'000	2015 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)
Net trade receivables	3,566,843	3,642,661
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
	17,180,293	14,656,437

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.

	The Group	
	2016	2015
	N'000	N'000
Prepayments - Current	1,905,245	1,488,457
Prepayments - Non-current	13,402	10,789
Total prepayments	1,918,647	1,499,246

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	
	2016	2015
	N'000	N'000
At 1 January	1,750,181	1,680,892
Allowance for receivables impairment	93,614	69,289
30 June	1,843,795	1,750,181

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

15. Cash and cash equivalents

	The Group	
	2016	2015
	N'000	N'000
Cash at bank and in hand	1,556,000	1,407,997
Short-term deposits	7,680,099	7,804,402
Cash and short-term deposits	9,236,099	9,212,399

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:

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

16. Borrowings

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

16. Borrowings (Continued)

The borrowings are repayable as follows:

	The Group	
	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
	28,601,049	25,648,191

(i) Loans due after one year

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

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

17. Trade and other payables

	The Group	
	2016 N'000	2015 N'000
Trade payables	4,387,616	5,985,972
	4,387,616	5,985,972
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
Total	16,254,279	15,035,800

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

	The Group	
	2016 N'000	2015 N'000
At 1 January	323,112	306,844
Deferred during the period	423,379	717,446
Released to the statement of profit or loss	(341,871)	(701,178)
At 30 June	404,620	323,112
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

Group	Contingent Liabilities N'000	Legal claim N'000	Decommissioning liability N'000	Total N'000
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
30 June 2016	50,000	70,588	23,578	144,166
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
31 December 2015	50,000	60,023	23,578	133,601
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
Authorised:		
Ordinary Shares of 50k each	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000
Total authorised share capital	3,400,000	1,700,000
Issued and fully paid:		
Ordinary shares of 50k each	1,920,864	960,432
Total called up share capital	1,920,864	960,432

Movements during the period:

	Group and Company	
	Number of shares 000	Ordinary shares =N='000
At 31 December 2015	1,920,864	960,432
Capitalised during the period	-	-
At 30 June 2016	1,920,864	960,432

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
Profit before tax	3,933,269	4,235,676
Adjustment for net finance (income)/costs	365,668	707,412
Operating profit	4,298,937	4,943,088
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	-
Operating cash flows before movements in	4,724,037	5,025,973
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
Net cash from/(used in) operations - continuing operations	2,449,938	3,599,808
Trade and other receivables	65,135	819,188
Trade and other payables	(22,500)	(119,226)
Net cash from/(used in) operations - discontinued operations	42,635	699,962
Net cash from/(used in) operations	2,492,574	4,299,770